

1 Description and Analysis of GSM Visas

1.1 General Skilled Migration Program description

There are 12 different General Skilled Migration visas available:

- Three of these can be applied for, and granted, while the applicant is in Australia
- Five can be granted while the applicant is outside Australia
- One can be applied for, and granted, either in or outside Australia - conditions apply
- Three are only available to New Zealand citizens in Australia. Since very small numbers are involved, they are not discussed further in this chapter.

Table 1.1 reports the migration category by visa subclass and offshore/onshore status for each of the 12 General Skilled Migration (GSM) visas. It also shows information about whether applicants have to meet a passmark requirement and what that requirement is. The equivalent previous visa subclass is shown in brackets where appropriate.

Table 1.1: Visa subclass (previous visa subclass), passmark and poolmark current 18 May 2005

Migration Category		Offshore	Off or onshore	Onshore	
		(five available)	(one available)	Overseas student (three available)	New Zealand citizen (three available)
INDEPENDENT					
Independent	visa subclass	136 (126)		880	861
	passmark	120		120	120
	poolmark	70		120	120
AUSTRALIAN SPONSORED					
Australian sponsored	visa subclass	138 (105)		881	862
	passmark	110		110	110
	poolmark	105		110	110
STATE SPECIFIC and REGIONAL SPONSORED					
Designated Area Sponsored	visa subclass	139 (106*)		882	863
	passmark	not pts tested		not pts tested	not pts tested
	poolmark	-		-	-
Skill Matching	visa subclass	134			
	passmark	not pts tested			
	poolmark	-			
Skilled State/Territory Nominated Independent	visa subclass	137			
	passmark	-			
	poolmark	70			
Skilled - Independent Regional (Provisional)	visa subclass		495		
	passmark		110		
	poolmark		110		

* Regional linked visa subclass 106, now Designated Area Sponsored subclass 139, but the regional area definition widened to include Melbourne since the late 1990s.

On 14 April 2005, the Minister announced a Migration Program of between 130,000 to 140,000 places for 2005-06. This represents an increase of 20,000 places from the Migration Program of 2004-05. In 2005-06 the Skilled Stream will account for a total of 97,500 of these places, with a total of 76,900 dedicated to the General Skilled Migration program. The allocation of places across the GSM visa types for 2005-06 is shown in Table 1.2. For comparison, the number of persons approved in 2004-05 is also provided.

Table 1.2: Allocation of places, General Skilled Migration Program 2005-06 and visas granted 2004-05 (principal and secondary applicants)

Visa type	Places allocated 2005-06	Visas* granted 2004-05		
		Total	Principal Applicants	Secondary Applicants^
Skilled - Independent (subclasses 136, 880, 134)	49,200	41,317	24,888	16,426
Skilled - Australian Sponsored (subclasses 138, 139, 881, 882)	17,700	14,515	6,244	8,271
State Regional Sponsored (subclasses 495 and 137)	10,000	3,972	1,527	2,445
Total	76,900	59,804	32,659	27,145

* includes 277 visaed under the previous subclasses 105, 106 and 126.

^ includes partners and children.

Currently a Ministerial order operates to give priority to persons on the Migrant Occupation in Demand List (MODL) and to persons applying under the State-Specific and Regional Migration (SSRM) visa subclasses.

Table 1.3 summarises the locational requirements for each of the visa categories discussed in Section C below. The Regional Sponsored Migration Scheme (RSMS) is included in the table because it is one of the visas that a Skilled - Independent Regional (SIR) visa holder can apply for when seeking permanent residence. The Skilled - Independent visa subclasses 136 and 880 and two of the Skilled - Australian-Sponsored visa subclasses (138 and 881) do not have locational restrictions.

Table 1.3: Locational requirements for selected visa subclasses

Skill Matching (subclass 134)	State/Territory Nominated Independent (STNI) (subclass 137)	Skilled - Designated Area Sponsored (SDAS) (subclasses 139 and 882)	Skilled - Independent Regional (SIR) (subclass 495)	Regional Sponsored Migration Scheme (RSMS) (subclass 119)
<p>If the applicant is nominated by a State or Territory Government they currently may settle in South Australia, Western Australia, Victoria or Tasmania (as per STNI). If they are nominated by a regional employer all areas of Australia are covered except Sydney, Newcastle, Wollongong, Melbourne, Perth, Brisbane and the Gold coast (as per RSMS).</p>	<p>South Australia, Tasmania and Victoria</p>	<p>Designated areas are identified by individual State and Territory Governments. Currently all parts of Australia except Sydney, Newcastle, Wollongong, Perth and Brisbane are designated areas.</p> <p>The sponsoring relative must have lived in a designated area of Australia for at least twelve months.</p> <p>From 1 July 2006, migrants who enter under the Skilled Designated Area Sponsored category will be required to live in the same area as their sponsor for a minimum of two years before obtaining permanent residence.</p>	<p>All areas of Australia are covered except Sydney, Newcastle, Wollongong, NSW Central Coast, Melbourne, Perth, Canberra, Brisbane and the Gold Coast.</p> <p>After two years living and 12 months employment (including self employment) in regional area can apply for permanent residence under RSMS, STNI or State/Territory Business Owners visas</p>	<p>SIR visa holders may apply for permanent residence under this visa subclass after relevant time periods served.</p> <p>All areas of Australia are covered except Brisbane, the Gold Coast, Newcastle, Sydney, Wollongong, Melbourne and Perth.</p>

1.2 The points criteria and points assigned as of 1 July 2005

The following section provides a summary of the points available for the various criteria for which points are awarded. A brief summary of the requirements are provided.

<i>All applicants have to meet the Skill, Age and English assessment criteria and all gain points for the three following criteria. As can be seen below, the maximum number of points that can be gained from the three 'compulsory' points assessment criteria is 110.</i>		
Criteria	Points	Conditions
SKILL		
	60	occupations with specific training <ul style="list-style-type: none"> • qualification (degree or trade certificate) • meet any Australian registration requirements
	50	more general professional occupations <ul style="list-style-type: none"> • qualification equivalent to Australian bachelor degree or higher (not necessarily related to nominated occupation)
	40	other general skilled occupations <ul style="list-style-type: none"> • qualification equivalent to Australian diploma or advanced diploma higher (not necessarily related to nominated occupation)
AGE (at time of application)		
	30	18-29 years
	25	30-34 years
	20	35-39 years
	15	40-44 years
ENGLISH LANGUAGE ABILITY		
	20	competent English <ul style="list-style-type: none"> • Native English speaker or IELTS score 6 on each of 4 components: speaking, reading, writing, listening • Assessing authority for nominated occupation may request occupational English test. This will give 20 points for competent English.
	15	vocational English <ul style="list-style-type: none"> • IELTS score 5 on each of 4 components: speaking, reading, writing, listening • Post-secondary studies at institution where all instruction was in English

All applicants have to meet the basic work requirements unless they meet the two-year Australian study requirement. All applicants under the overseas student visa subclasses 880 and 881 will gain at least five points for Australian qualifications. These and other applicants must assemble the extra points which they need to meet the current passmark from the following assessment criteria

Criteria	Points	Conditions
AUSTRALIAN QUALIFICATIONS		
	15	<ul style="list-style-type: none"> • doctorate at Australian educational institute after a period of at least 2 (academic) years full-time study while in Australia • PhD holders are the only 50-point occupations eligible under subclasses 880 and 881
	10	<ul style="list-style-type: none"> • completed Masters or Honours (at least upper second class level) of at least 1 year study in Australia and before that had completed Australian Bachelor as a result of at least 1 year of study at an Australian institution while in Australia and the total period of Australian full-time study was at least 2 academic years
	5	<ul style="list-style-type: none"> • completed an Australian degree, diploma, or trade qualification while in Australia and studied full-time in Australia for at least 2 academic years towards the award. • changed on 1 Sep 2005 to allow completion Australian study in minimum of 16 months if a summer term is involved. • can be more than one diploma over two academic years
RECENT WORK EXPERIENCE threshold requirements		
<p><i>Basic requirement but no points given</i></p> <ul style="list-style-type: none"> • If 60-point occupation must have been in paid employment in any skilled occupation on Skilled Occupation List (SOL) for at least 12 of the 18 months immediately before applying. For some visa subclasses the relevant list is the State or Sydney & Selected Areas Skill Shortage List (SSASSL). • If 40 or 50-point occupation as 60 point above but for at least 2 of the 3 years immediately before applying. • For certain occupations a longer period may be required (e.g. Manager) • Skill Matching and SDAS categories may be eligible with less work experience • No work experience criteria if meet 2 years study in Australia requirement less than 6 months (from completion not graduation) before applying but this cannot be used to waive any specific work experience requirement imposed by the assessing body as part of a skills assessment. • If use work experience obtained in Australia it must have been undertaken while applicant held a substantive visa not a bridging visa. This was changed on 1 Nov 2005 to allow work experience obtained while holding a Bridging visa A or B. 		
SPECIFIC WORK EXPERIENCE points for more than recent work experience		
	10	<ul style="list-style-type: none"> • If 60-point occupation and have worked in nominated occupation or closely related 60-point occupation for at least 3 of the 4 years immediately before applying (that is, have work experience specific to nominated occupation and an extra 2 years work experience).
	5	<ul style="list-style-type: none"> • If 40, 50 or 60-point occupation and have worked in any skilled occupation on the SOL for at least 3 of the 4 years immediately before applying (that is an extra 1 years experience if 40 or 50-point occupation but an extra 2 years for 60-point occupation)

MODL - migrant occupation in demand list and job offer

Persons on the MODL are given priority during processing.

- 20 • If nominated occupation is on MODL **current at time the application is assessed** and applicant has job offer for full-time employment in Australia in your nominated occupation from an organisation that has employed at least 10 people on a full-time basis for the 24 months immediately prior to the date the application was lodged.
- 15 • If nominated occupation is on MODL **current at time the application is assessed** but no job offer.

BONUS POINTS

- 5 for **one** of the following only:
 - capital investment in Australia (\$100,000 to be invested in an approved government investment for at least 12 months after notified by migration officer)
 - Australian work experience (employed in Australia in a SOL occupation totalling at least 6 months in the 48 months immediately before the day on which the application is made while applicant holds a substantive visa authorising them to work. Work undertaken on bridging visa cannot be counted.)
 - Fluency in a community language (other than English) on supplied list. Require professional level qualifications (written or oral) as evidenced by a qualification (of equivalent standard to an Australian degree) gained from a university where instruction was in one of the listed languages or by accreditation with the National Accreditation Authority for Translators and Interpreters (NAATI) at the professional level (Translator/Interpreter Level). Refer www.naati.com.au for testing information

AUSTRALIAN REGIONAL CAMPUS

Studying at a campus in a regional or low population growth metropolitan area

- 5 • Has lived and studied for at least 2 years in one or more areas in regional Australia or low population growth metropolitan area. (Does not say academic years and requires evidence such as rental agreements, utility bills that span a two year period). On 1 November 2005 the regulations were changed so that the applicant only needed to demonstrate that they had studied at a campus located in one of the specified regional/low population growth metropolitan post codes rather than at a specified regional campus. All other course requirements are unchanged.
- The 16 month concession applying to the definition of Australian qualifications does not apply to this points category.

A full list of the eligible areas including postcodes and eligible campuses can be found at <http://www.immi.gov.au/migration/skilled/regional.htm>

Broadly the following areas are eligible:

New South Wales except Sydney, Newcastle, the Central Coast and Wollongong

Victoria except Melbourne metropolitan area

Queensland except the greater Brisbane area and the Gold Coast

South Australia Entire State

Western Australia except Perth and surrounding areas

Tasmania Entire State

Northern Territory Entire Territory

None of the Australian Capital Territory is included.

SPOUSE SKILLS	
5	<ul style="list-style-type: none"> if spouse satisfies the basic requirements of age, English language ability, qualifications, nominated occupation and recent work experience and has obtained suitable skills assessment from relevant assessing authority for their nominate occupation
STATE/TERRITORY SPONSORSHIP (only SIR visa subclass 495, not relevant to STNI as this subclass is not points-tested apart from pool mark of 70 points)	
10	<ul style="list-style-type: none"> if applicant has obtained sponsorship from an authorised State or Territory government agency - introduced 1 July 2005
RELATIONSHIP (only Skilled - Australian Sponsored subclasses 138, 881 and 862)	
15	<ul style="list-style-type: none"> if applicant or spouse is a non-dependent child, a parent, a brother or sister, a niece or nephew of an Australian citizen or permanent resident who is willing to sponsor them; on 1 November 2005 the relationship was extended to aunts and uncles.

1.3 Description and outcomes for components of the program

a) Skilled - Independent visa categories

Visa subclass 136 (offshore) and visa subclass 880 (onshore overseas students)

These two visa subclasses are discussed together because the same selection criteria are in use. Any recommended change in the system will influence both categories, though to different degrees. Outcomes for visa subclass 136 are provided first, then the outcomes for visa subclass 880. A discussion of both visa subclasses follows.

Purpose

Both subclasses are designed to augment Australia's skill base and to help fill skilled labour market vacancies. Visa subclass 880 is designed to take advantage of the fact that, other things being equal, applicants with Australian qualifications have a greater chance of employment in Australia.

Assessment method in place to achieve stated purpose

Mainly based on points allocated for:

- age
- English language
- skill level of occupation
- whether occupation is in demand (MODL)
- specific work experience
- Australian qualifications (required under subclass 880)

In addition, points can be awarded for:

- spouse skills
- bonus points (for capital investment, Australian work experience or community language)

In the case of overseas students, the threshold recent work experience required for visa subclass 136 is waived. Applicants gain from 5 to 15 points for their Australian qualification depending on its level. For more detail, see 'Points criteria and points assigned as of 1 July 2005' above.

Rationale of the 136 and 880 visa subclasses

Visa subclasses 136 and 880 are the only visas available to persons wishing to migrate permanently to Australia under the Skill program who do not have the option of sponsorship by relatives living in Australia, a State/Territory Government or employer.

These subclasses were instituted in the aftermath of a major review of the skill selection system conducted during the late 1990s. The 136 visa subclass was introduced in mid-1999 (replacing subclass 126). The main objective of the skilled migration program at the time was skill augmentation. There was less attention to filling skill gaps in the Australian economy because there were relatively few at that stage. Reflecting this skill augmentation priority, the new selection system advantaged applicants with occupations involving a high level of vocationally specific academic or trade training. Occupations eligible for migration (the Skilled Occupation List) were classified into 60, 50 and 40 point categories. The most skilled occupations, including engineering, nursing, computing, accounting, teaching and some traditional trades, were allocated 60 points, and occupations with less emphasis on skill training were classified as 50 and 40-point occupations. Under the new system, the great majority of those selected in the 136 visa subclass held 60-point occupations. At the time, this was considered an appropriate outcome given the skill augmentation objective of the new selection system.

A second major innovation flowing from the 1999 reforms was that persons trained in Australia were given additional points on this account. Furthermore, if they applied for permanent residence within six months of completing their course, they did not have to have any occupational experience (unlike all other applicants). In effect, there was a trade-off between Australian training and job experience. This initiative reflected concerns on the part of employers at the time of the dot.com/new economy boom in the late 1990s that Australia could become uncompetitive in these fields on account of a lack of the relevant skills (particularly in accounting and computing). Since many of the overseas students in Australia were being trained in these fields, it was argued that they should be given priority in the skilled migration selection system. These students were given further incentives to seek permanent residence on completion of these courses when a new set of visa subclasses (the 880, 881 and 882 subclasses) were created in mid-2001 which allowed former students to apply for permanent residence without having to leave Australia. Applicants had to apply within six months of completing their course. In the case of the main 880 subclass, they had to possess qualifications applicable to a 60-point occupation (although for those with an Australian PhD, a 50-point occupation was acceptable).

What are the Skill - Independent visa subclasses 136 and 880 delivering?

Figure 1.1: Number of visas approved, principal applicants and accompanying, visa subclasses 136 and 880, 2000-01 to 2004-05 ¹

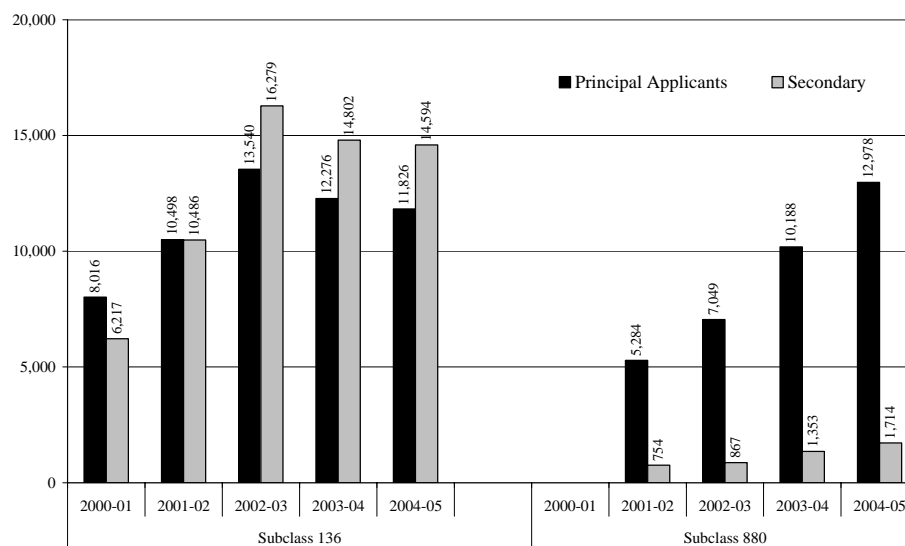
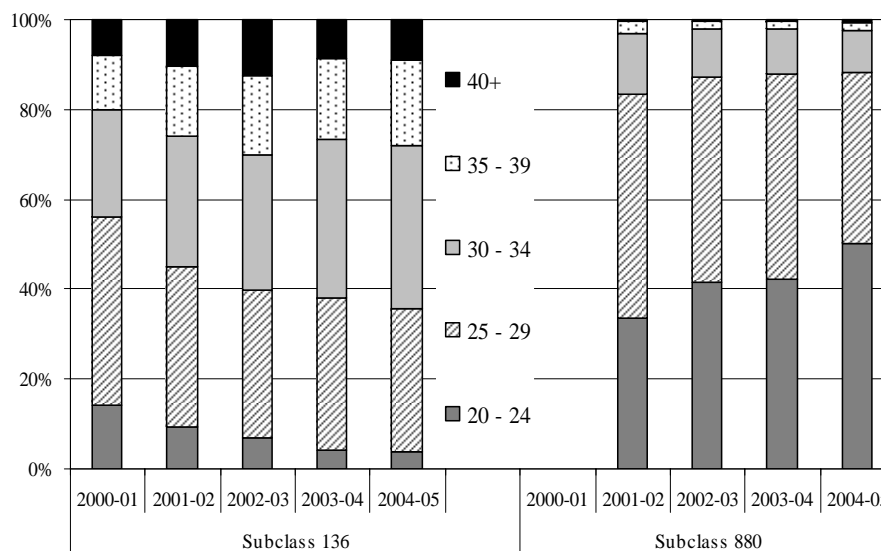


Figure 1.2: Age of Principal Applicants approved under visa subclasses 136 and 880, 2000-01 to 2004-05



¹ Visa subclass 136 replaced visa subclass 126 on 1 July 1999. Persons applying before this date continued to be processed under subclass 126 (see table below). Visa subclass 126 is not included in the present analysis.

Total Principal Applicants approved under subclasses 136 and 126, 2000-01 to 2004-05					
	2000-01	2001-02	2002-03	2003-04	2004-05
Subclass 136	8,016	10,498	13,540	12,276	11,826
Subclass 126	3,195	1,063	134	29	12

Table 1.4: Occupations of Principal Applicants approved under visa subclass 136, visas granted 2000-01 to 2004-05

MODL and Occupation	2000-01	2001-02	2002-03	2003-04	2004-05
1112 General Managers	120	149	246	146	86
1224 Information Technology Managers	102	194	165	160	122
Rest of Managers	112	162	244	179	155
1 Managers & Administrators	334	505	655	485	363
2115 Medical Scientists	95	105	159	130	137
Rest of Natural & Physical Sci Profs	66	81	103	41	37
2121 Architects & Lscape Architects	71	84	146	116	110
2124 Civil Engineers	130	159	220	181	186
2125 Electrical & Electronics Engrs	118	140	182	185	227
2126 Mechanical Prodn & Plant Engrs	115	127	214	239	255
2128 Engineering Technologists	61	131	154	145	180
Rest of Building & Engineering Profs	353	398	574	506	552
* 2211 Accountants	1,252	1,342	1,761	1642	2,136
2221 Marketing & Advertising Profs	295	350	555	229	129
2231 Computing Professionals	2,960	3,576	2,634	4058	2,885
2294 Business & Organisation Analysts	139	252	318	83	63
Rest of Business & Information Profs	256	388	662	369	277
* 231 Medical Practitioners	3	0	0	3	104
* 2323 Registered Nurses	245	351	729	673	786
* 2324 Registered Midwives	8	21	36	32	51
* 2325 Registered Mental Health Nurses	12	16	45	57	68
* 2382 Pharmacists	43	56	101	79	107
* 2383 Occupational Therapists	5	13	23	24	43
* 2385 Physiotherapists	37	39	50	33	65
* 2391 Medical Imaging Professionals	21	30	48	34	54
Rest of Health Professionals	54	51	106	100	83
2412 Primary School Teachers	68	137	215	183	145
2413 Secondary School Teachers	171	255	336	220	170
Rest of Education Professionals	62	54	47	33	19
2522 Economists	73	97	101	42	28
2529 Other Social Professionals	54	97	143	182	175
Rest of Professionals	167	245	396	227	196
2 Professionals total	6,934	8,595	10,058	9,846	9,268
* 3322 Chefs	44	92	144	100	123
Rest of Associate Professionals	8	15	33	29	48
3 Associate Professionals	52	107	177	129	171
* 4112 Metal Fitters & Machinists	73	116	258	125	193
* 4113 Toolmakers	27	44	126	115	155
* 4122 Structural Steel & Welding Trades	25	32	77	36	52
* 4124 Sheetmetal Tradespersons	7	8	20	6	17
* 4211 Motor Mechanics	48	120	197	123	171
* 4212 Automotive Electricians	4	13	18	8	9
* 4213 Panel Beaters	3	11	23	17	18
* 4214 Vehicle Painters	3	13	21	13	21
4311 Electricians	65	145	319	188	129
* 4312 Refrigeration & Aircon. Mechanics	12	42	80	63	103
4411 Carpentry & Joinery Tradespersons	44	81	184	105	111
4431 Plumbers	36	67	122	73	65
* 4512 Bakers & Pastrycooks	7	17	38	32	35
4513 Cooks	41	51	150	120	118
* 4931 Hairdressers	32	48	161	157	316
* 4942 Upholsterers & Bedding Trades	2	7	9	3	5
Rest of Tradespersons	240	450	827	615	494
4 Tradespersons total	669	1,265	2,630	1,799	2,012
Total PAs subclass 136 (includes unknown)	8,016	10,498	13,540	12,276	11,826
** Total Principal Applicants subclass 126	3,195	1,063	134	29	12

* Occupation or sub-component of occupation was on the MODL as of 8 September 2004.

** Total approved under previous visa subclass.

Table 1.5: Occupations of Principal Applicants approved under visa subclass 880, visas granted 2001-02 to 2004-05

MODL and Occupation	2001-02	2002-03	2003-04	2004-05
1224 Information Technology Managers	78	6	2	6
Rest of Managers	15	6	23	23
1 Managers & Administrators	93	12	25	29
2115 Medical Scientists	60	73	78	105
Rest of Natural & Physical Sci Profs	3	2	11	30
2121 Architects & Landscape Architects	54	74	130	203
2124 Civil Engineers	42	65	121	164
2125 Electrical & Electronics Engrs	26	61	157	269
2126 Mechanical Prodn & Plant Engrs	26	69	130	192
2128 Engineering Technologists	35	34	135	234
Rest of Building & Engineering Profs	136	201	395	799
* 2211 Accountants	927	1,164	2,437	4,010
2231 Computing Professionals	3,177	2,966	4,576	5,114
Rest of Business & Information Profs	6	3	17	31
* 231 Medical Practitioners				2
* 2323 Registered Nurses	49	87	123	194
* 2324 Registered Midwives		1		
* 2382 Pharmacists	14	38	32	111
* 2383 Occupational Therapists	1	7	7	15
* 2385 Physiotherapists	10	11	14	37
* 2391 Medical Imaging Professionals	2	2	5	1
Rest of Health Professionals	10	20	25	79
2412 Primary School Teachers	10	11	24	46
2413 Secondary School Teachers	36	36	105	152
Rest of Education Professionals	2	1	9	19
Social Professionals	43	78	166	200
Rest of Professionals	23	30	74	135
Professionals total	4,692	5,034	8,771	12,142
* 3322 Chefs	2	1	7	3
Rest of Associate Professionals	0	3	18	25
3 Associate Professionals	2	4	25	28
* 4512 Bakers & Pastrycooks	3	9	10	16
4513 Cooks	58	91	250	388
* 4931 Hairdressers	12	10	42	82
* Other Tradespersons on MODL	9	4	4	9
Rest of Tradespersons	29	50	104	230
Tradespersons total	111	164	410	725
Other including unknown	497	1,999	1,367	779
Total Principal Applicants	5,284	7,049	10,188	12,978

* Occupation or sub-component of occupation was on the MODL as of 8 September 2004

Table 1.6: Occupations of secondary applicants approved under visa subclasses 136 and 880, major occupation groups and selected occupations, visas granted 2000-01 to 2004-05

Occupation	2000-01	2001-02	2002-03	2003-04	2004-05
Visa subclass 136					
Stating labourforce occupation (major group and main occupations)					
Managers & Administrators	66	55	102	56	41
Accountants	68	32	104	77	62
Marketing & Advertising Profs	36	42	87	94	87
Technical Sales Representative	8	18	21	37	32
Computing Professionals	73	103	69	102	81
Business & Organisation Analysts	12	21	24	25	36
Other Business & Information Profs	15	20	52	52	42
Rest of Professionals	317	281	493	321	270
Professionals total	529	517	850	708	610
Associate Professionals	46	44	90	102	95
Tradespersons & Related Workers	30	20	135	49	28
Clerical, Sales & Service Workers	65	35	41	5	1
Production, Transport, Labourers & Related Workers	2	1	3	1	0
Self Employed	14	31	37	23	3
Total stating labourforce occupation	752	703	1,258	944	778
Not stating labourforce occupation					
Student	435	654	1,140	1,034	598
Non-Working Child	2,564	4,567	6,432	5,930	4,920
Other (includes not stated, home duties)	2,466	4,562	7,449	6,894	8,298
Total not stating labourforce occupation	5,465	9,783	15,021	13,858	13,816
Total secondary	6,217	10,486	16,279	14,802	14,594
Visa subclass 880					
Stating labourforce occupation (major group and main occupations)					
Managers & Administrators		1		4	1
Professionals		16	22	81	36
Associate Professionals			4	8	4
Tradespersons & Related Workers		1	1	2	3
Total stating labourforce occupation		18	27	95	44
Total not stating labourforce occupation		736	840	1,258	1,670
Total secondary		754	867	1,353	1,714

Table 1.7: Country of citizenship and language background of Principal Applicants approved under visa subclasses 136 and 880

	Visa subclass 136					Visa subclass 880				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
By country and region										
Fiji	318	175	162	88	109		9	20	31	38
Rest of Oceania	8	3	9	11	9		5	2	3	11
United Kingdom	936	1,873	3,759	2,630	3,073		35	60	95	143
Irish Republic	210	213	270	244	296			3	5	7
Germany, Federal Rep. Of	75	136	131	103	121		5	14	26	38
Rest of NW Europe	145	233	277	236	219		26	44	56	91
S & E Europe	215	333	293	360	373		59	89	192	272
Nth Africa & Middle East	97	155	204	277	283		21	55	109	135
Thailand	86	145	64	62	56		90	124	228	200
Vietnam	22	62	33	47	55		36	81	139	200
Indonesia	461	717	682	412	254		815	868	1,107	1,408
Malaysia	706	561	1,068	570	518		191	607	679	1,113
Philippines	107	186	167	264	245		16	24	43	45
Singapore	359	373	466	607	539		118	254	340	440
Rest of Sth East Asia	16	25	24	20	20		25	34	56	72
China, Peoples Republic of	900	1,092	1,128	1,773	1,340		836	1,321	2,139	2,655
Hong Kong	555	424	382	328	326		173	334	533	863
Taiwan	158	220	127	79	61		90	112	161	231
Japan	120	131	140	116	105		70	85	177	248
Korea, Republic of	140	220	134	163	191		141	209	366	474
Rest of North-East Asia	8	12	14	12	1		6	8	16	10
Bangladesh	32	80	47	90	106		185	247	354	436
India	1,280	1,283	1,892	1,885	1,861		1,668	1,674	2,222	2,433
Nepal	53	50	61	42	34		110	137	186	190
Pakistan	171	168	110	187	219		186	212	223	224
Sri Lanka	154	271	208	151	273		69	122	239	360
Rest of Sthn & Central Asia	1	9	16	24	22		2	3	8	13
Canada	98	83	69	83	84		10	21	26	37
United States of America	82	125	82	114	97		4	11	32	35
Rest of Americas	67	98	126	192	273		48	72	132	149
South Africa, Republic of	310	791	1,156	866	460		4	9	17	12
Zimbabwe	52	120	128	113	110		2	8	18	22
Rest of Africa	69	125	109	126	90		48	74	171	278
Unknown	5	6	2	1	3		181	111	59	95
By language background										
Main English-speaking*	1,636	3,085	5,336	3,937	4,010		53	104	175	234
Non English-speaking	6,375	7,407	8,202	8,338	7,813		5,050	6,834	9,954	12,649
Total	8,016	10,498	13,540	12,276	11,826		na	7,049	10,188	12,978
							Per cent of Principal Applicants			
Main English-speaking*	20	29	39	32	34		1	1	2	2
Non English-speaking	80	71	61	68	66		96	97	98	97
Total	100	100	100	100	100		na	100	100	100

* Main English-speaking background countries are the United Kingdom, Irish Republic, United States of America, Canada and South Africa

Table 1.8: Country of citizenship of professionals and tradespersons, Principal Applicants approved under visa subclasses 136 and 880

Major Occupation and region of citizenship	Subclass 136					Subclass 880				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
Professionals										
UK & Ireland	711	1,238	2,237	1,793	2,056	31	51	81	125	
South Africa	207	521	764	632	351	3	5	14	8	
USA & Canada	150	166	122	169	150	14	20	49	65	
China	850	1,040	1,029	1,657	1,251	743	953	1,914	2,547	
Rest of NE Asia	949	963	727	606	584	423	520	1,017	1,607	
India	1,174	1,159	1,440	1,505	1,397	1,473	1,180	1,918	2,297	
Rest of Sth & Ctrl Asia	381	515	367	431	573	476	488	834	1,147	
SE Asia	1,673	1,953	2,324	1,822	1,563	1,172	1,479	2,307	3,362	
Rest	839	1,040	1,048	1,231	1,343	357	338	637	984	
Professionals Total	6,934	8,595	10,058	9,846	9,268	na	4,692	5,034	8,771	12,142
Tradespersons & Related Workers										
UK & Ireland	348	684	1,554	938	1,132	3	3	11	22	
South Africa	70	182	270	152	72			2	2	
USA & Canada	16	19	15	11	13			4	7	
China	2	7	23	52	47	1	2	8	89	
Rest of NE Asia	9	13	35	58	68	16	36	114	195	
India	62	80	373	317	406	53	67	110	115	
Rest of Sth & Ctrl Asia	15	39	50	42	56	16	20	58	67	
SE Asia	11	24	52	55	40	6	21	52	105	
Rest	136	217	258	174	178	16	15	51	123	
Tradesprsns & Rel. Wkrs Total	669	1,265	2,630	1,799	2,012	na	111	164	410	725

Issues arising

The balance between offshore 136 and onshore 880 visa subclasses is moving towards the latter. As Table 1.9 shows, more principal applicants (PAs) were visaed under subclass 880 than visa subclass 136 in 2004-05. This means that the overall Skilled Independent category is becoming younger (see Figure 1.2 which shows the age distribution for the two visa subclasses) with 50 per cent of the 880s PAs in 2004-05 aged less than 24, compared to four per cent of the 136s.

Table 1.9: Number of Principal Applicants visaed in the two Independent visa subclasses 2000-01 to 2004-05

	136s	880s	Total Independents	% 880s
2000-01	8,016	-	8,016	0
2001-02*	10,498	5,284	15,782	33
2002-03	13,540	7,049	20,589	34
2003-04	12,276	10,188	22,464	45
2004-05	11,826	12,978	24,804	52

If the 1,063 visaed under subclass 126 in 2001-02 are included, the percentage falls to 31%.

Occupational spread and skill level

There was a heavy concentration of persons nominating accounting or computing as their occupation amongst those visaed, particularly among the onshore 880 visa subclass. In 2004-05, seventy per cent of the visa subclass 880 PAs nominated either one of these two occupations, compared with 42 per cent of the PAs under visa subclass 136. The dominance of just two occupations amongst those visaed in the recent past means that the size of the intake from migrants with accounting and ICT qualifications was similar to the number of domestic aspirants wishing to enter the same occupation. For the immediate future (see below), this pattern will continue, though the balance will swing from computing to accounting.

This is because when the passmark for visa subclass 880 was raised to 120 in April 2005, MODL points became a crucial determinant of which occupations were likely to be selected. Prior to April 2005, most overseas students who had completed training in Australia in a 60-point occupation were able to achieve the 115 passmark without any need to access MODL points. This is the main reason why most onshore graduates in ICT were able to obtain permanent residence under subclass 880. They did not receive MODL points, even when various computing specialities were listed on the MODL. The explanation is that some accrediting authorities require applicants to have work experience as a condition of allocating MODL points. This was the case for ICT specialities which were listed on the MODL to late 2003 and is still the case for the ICT specialities that were added to the MODL in late 2005. By contrast the accounting authorities do not require work experience as a condition of eligibility for MODL points.

Since accounting was reinstated on the MODL in September 2004,² those with accounting qualifications were virtually assured permanent residence if they applied. For all other occupations not listed on the MODL or where a work experience requirement was a pre-condition, applicants under subclass 880 have to find an additional five points to be selected. For this reason, overseas students intending to apply for permanent residence currently have a powerful incentive to enrol in courses providing access to MODL points.

For the immediate future the concentration in the onshore student program on accounting may diminish somewhat because of the expansion of the MODL in late 2005 to include a number of additional occupations will give some incentive to overseas students interested in permanent residence to enrol in courses delivering the required qualifications.

² Accounting was removed from the MODL in September 2002. All remaining computing specialties (normally requiring 12 months experience) were removed from the MODL in October 2003.

Implications of the 1999 and 2001 selection reforms for overseas students

When the reforms advantaging overseas students trained in Australia were introduced in mid-1999 and mid-2001, it was not anticipated how enthusiastically overseas students and Australia's universities would respond to the new migration rules. In the case of the overseas students, a majority have since enrolled in courses which are believed to provide a relatively assured permanent resident outcome. Those with this objective have tended to enrol in relatively undemanding short courses where the curriculum has been defined as at the level needed for entry to a 60-point occupation by the relevant Australian accrediting agency. Such accreditation is required by DIMA as one of the threshold conditions which an applicant for a subclass 880 (or 136) visa must meet (as well as obtaining the pass mark on the point test) in order to gain a permanent residence visa.

Accounting and ICT (Information and Communications Technology) courses have proved to be the most attractive from the point of view of overseas students seeking permanent residence. In each case, the accounting accrediting authorities - CPA Australia, National Institute of Accountants (NIA) and Chartered Accountants and the computing accrediting authority - the Australian Computer Society (ACS) - only require three semesters specialised work in accounting or ICT, whether at the undergraduate or masters by coursework level, for the course to be regarded as meeting the requirements for professional level entry to accounting and ICT. Overseas students enrolling in a masters-by-coursework degree in an Australian university in ICT or accounting do not need to have any previous undergraduate training in their respective fields. They have been able to complete the compulsory three semesters study in their field, along with some cognate courses in just 18 months. In most cases these credentials are sufficient to gain the required professional accreditation for immigration purposes from the relevant accrediting authority.

Since DIMA introduced a minimum training period in Australia of two years as from mid-2001, these masters courses have usually been extended to two years duration. This has been to meet DIMA's requirements rather than those of the accrediting authorities. Since 2005 DIMA has approved such courses being undertaken over a minimum 16 month period. Under DIMA's ruling the two year duration refers to the amount of study normally included in a two-year training program. The ruling allows this study to be compressed into a shorter time period.

For their part, Australian universities have responded to the new circumstances by developing new or modified courses which cater for the needs of overseas students anxious to gain permanent residence (and for a few full-fee domestic students). Australia's regional universities have been particularly innovative in this regard. Central Queensland University (CQU) and the University of Ballarat have led the way by establishing metropolitan campuses which cater mainly to overseas students and which focus on accounting and ICT courses, particularly at the masters by coursework level.

Most other regional universities have followed their example. These universities have succeeded in capturing a significant share of overseas student enrolments at the expense of more traditional overseas student providers mainly because of their relatively low cost fee structure.³ By 2004, there were 8,789 international students enrolled at CQU campuses, 4,513 of whom were located at the Sydney campus and 2,899 at the Melbourne campus.⁴ Most of these students were doing Masters by coursework courses. For the most part, the courses are provided by commercial entities at arms length to the initiating regional universities. These providers, in turn, outsource the teaching mainly to sessional staff.

There are a number of issues arising out of these developments from the point of view of the objectives of the GSM Program to augment Australia's skilled workforce and to provide skilled workers capable of meeting Australian employers' needs.

The first concerns the curriculum content of the courses in question and whether they can be regarded as equivalent to that needed to obtain professional level work with an Australian employer.

In the case of ICT, as indicated, no preceding training in computing is required as a condition of enrolment for Masters by coursework courses. The curriculum content tends to be of a survey nature and oriented to computer literacy. The graduates do not normally achieve professional level training in particular computer languages, software development or computer system design. Such skills would normally be needed if a recent graduate is to gain an appointment at the professional level in the computing field. Nonetheless, almost all have been accredited by the ACS as programming professionals.

In the case of accounting, the compulsory curriculum required is the minimum deemed by the accrediting authorities as necessary for entry into the profession. However, for full professional status these authorities require a further combination of accounting employment and additional study in specified accounting courses. This extra study is not currently required for immigration accreditation purposes.

It could be argued that the limitations of these courses, from the point of view of professional level appointment, apply equally to domestic students. To a degree this is true. However, most of the growth in courses catering for overseas students who are oriented towards permanent residence has occurred at the Masters by coursework level. These courses have relatively few local student enrolments. Most domestic students seeking profession level appointments in computing or accounting would complete three or four year undergraduate courses. Also, domestic undergraduate students are much more likely to possess the communication and cultural skills to which employers give a high priority when making appointments.

³ Birrell, B. *Immigration Rules and the Overseas Student Market in Australia*, IDP, 2005

⁴ CQU Performance Reporting and Benchmarking, 2005, p. 40

This observation leads into a second issue, which relates to the communication skills of overseas students. Most of these students come from Asia and are not native speakers of English. Even those coming from the subcontinent of India, where their first degrees are usually taught in English, often need further training in English, as well as familiarity with Australian cultural norms, if they are to meet employer's communication expectations after graduation. When the 880 visa subclass was introduced, it was assumed that academic training in Australia would be sufficient to meet these deficits. This has turned out to be problematic, particularly for those taking masters by coursework courses because these courses are composed primarily of fellow overseas students (especially at the metropolitan campuses set up by regional universities). There is no mixing with local students at these campuses. Also, the short duration of the courses limits the exposure of overseas students to Australian cultural practices. A further complicating problem, discussed below, is that many of these students are beginning their courses with relatively low English levels.

As a consequence of these developments, large numbers of overseas students trained in accounting and ICT are entering the Australian labour market with credentials and communication skills that are problematic from the point of view of Australian employers. In addition, most of the graduates have had no job experience in their field; thus the difficulties they are having in the labour market, as described in Chapter 3 below.

DIMA has already responded to these concerns by increasing the passmark to 120 on 1 April 2005 for the 880 visa subclass (as it had been done already with subclass 136 in May 2004). It has also tightened the administration of all the student subclasses, by increasing the minimum period of training in Australia from one to two academic years from mid-2003.

Analysis of assessment criteria for visa subclasses 136 and 880

Age

The migrants selected under the offshore Skilled Independent subclass 136 are predominantly aged under 30, or 30 to 34. As Figure 1.2 shows, around 40 per cent of those visaed under subclass 136 were in the first group and around 30 per cent were in the second. Less than 30 per cent were aged 35 or older. This is an issue because the emphasis on youth implies that occupational experience has been discounted; in effect, experience is being traded off for youth. This outcome does not seem to be consistent with employer demands that the people they take on are work-ready – that is, they hold the experience required for the tasks which they are supposed to do.

This issue is particularly acute for the 880 visa subclass, because, as indicated above, 50 per cent of those visaed in 2004-05 were aged less than 25. Also, because the basic recent work experience requirement that has to be met by applicants under the Skilled – Independent subclass 136 has been waived for the 880 visa subclass, few have had any work experience in their nominated occupation or, for that matter, in any occupation listed on the SOL.

The only group of applicants where the emphasis is not on youth is amongst those visaed with occupations listed on the MODL. For example, in the case of nurses, in 2004-05 there were 909 visaed in the 136 visa subclass, all of whom were on the MODL. Of these, 45 per cent were aged 35 plus.

English language assessment

As the 880 share increased, so, too, did the proportion of Skilled Independent PAs who did not have to take an English language test. Until July 2004, it had been policy to waive this test for onshore applicants with Australian qualifications. Such applicants were deemed to be ‘competent’ in English (a score of 6 on the IELTS test) without sitting the test. They were given 20 points for language. Since then, DIMA policy has changed. Assessment Levels 3 and 4 applicants (AL 3 and 4 include most of the countries listed in Table 1.10) who want 20 points have to take an IELTS test and score a minimum of score six on each of four components of the IELTS test. The outcomes for those visaed in 2004-05 are shown in Table 1.10.

Analysis of the English language points for Chinese PAs granted approval under visa subclass 880 in 2004-05 shows that 43 per cent received 15 points for English; that is they only achieved five on the IELTS test (labelled ‘vocational’ English). Applicants from some other countries, including Viet Nam and Thailand, achieved poor outcomes. This finding indicates that many of the 880 PAs do not possess competent English, implying that they will struggle to meet the communication standards most employers demand.

Table 1.10: Percentage of PAs approved under visa subclasses 136, 880 and 881 receiving 15 points for English, 2004-05

Citizenship	Number of PAs approved under subclass			% of subclass achieving 15 points for English		
	136	880	881	136	880	881
MESB	4,010	234	35	0	3	4
Thailand	56	200	25	39	29	64
Viet Nam	55	200	24	18	36	46
Indonesia	254	1,408	112	22	16	35
Malaysia	518	1,113	99	9	16	29
Singapore	539	440	47	5	10	21
China	1,340	2,655	92	48	43	49
Hong Kong	326	863	85	11	17	40
Taiwan	61	231	29	16	24	62
Korea, South	191	474	44	52	23	48
Bangladesh	106	436	28	18	23	61
India	1,861	2,433	47	19	5	30
Sri Lanka	273	360	37	13	10	27
Other NESB	2,236	1,931	151	19	14	30
Total	11,826	12,978	855	16	20	36

MESB = the main-English-speaking-background countries of the UK, Ireland, USA, Canada and South Africa.

There are some caveats to this finding. Some visaed under subclasses 880 or 881 in 2004-05 would have applied before the introduction of the new rule and thus were deemed to possess competent English. Some others, who applied after the new rule was implemented, opted not to be tested because they were able to attain the passmark with 15 points. It is possible therefore that Table 1.10 underestimates the proportion of those visaed under the 880 and 881 subclasses who did not possess competent English. DIMA's Adelaide processing office was unable to provide detail on the outcomes for those who took the IELTS test. Nonetheless, the officers who supervise the testing regime believe that the data shown in Table 1.10 give a good indication of the English levels of applicants from AL 3 and 4 countries.

Appeals to the Migration Review Tribunal on the issue of English testing of AL 3 and 4 applicants have resulted in the overturning of some of DIMA's decisions to require an applicant to take a test. There is a strong case for mandatory testing of English for overseas students from non-English speaking-background countries. As discussed further in Chapter 2, one of the reasons why some students are unable to achieve the competent English standard is that a majority of overseas students are currently coming to Australia on various packages which include preliminary Foundation Year or high school level courses which do not require them to achieve the minimum competent English standard required by DIMA for persons seeking a student visa for direct entry into a university course.

Skilled Occupation List (SOL)

There is some flexibility regarding occupations eligible for migration under the GSM. If there is evidence of significant oversupply, as was the case in the mid-1990s with doctors, the occupation will not be listed on the SOL. Conversely, as the situation changed to one of severe shortage, doctors were added to the SOL in 2005. Nevertheless, there have been relatively few changes to the SOL since 1999 when it was first introduced. There has been some criticism of this inflexibility, including complaints from the Western Australian Government that some semi-skilled occupations like mobile plant operators should be added to the list.

The Panel believes that the priority of the GSM (as stated earlier) should remain occupations involving high skill levels in vocationally specific academic or trade fields. Shortages in occupations which do not require such skills are best filled through the training of domestic workers.

The classification of occupations on the SOL into 40, 50 and 60 point categories has not changed significantly since 1999. The original criteria by which eligible occupations were designated within these three categories was as follows:

- 40 points are available for 'generalist' occupations which require diploma or advanced diploma-level qualifications;
- 50 points are available for 'generalist' occupations which require degree-level qualifications, but which do not necessarily require training for a particular occupation; and
- 60 points are available for occupations which require degree (or higher) or trade certificate-level qualifications where entry to the occupation requires training in a body of knowledge specific to the occupation and which are generally regulated or governed by professional gatekeepers.

This arrangement helps explain why biochemists, botanists and geophysicists are currently classified as 50-point occupations while picture framers and floor finishers (includes carpet layers) are classified as 60-point occupations. The former do not possess vocationally specific qualifications (yet have high levels of academic training) while the latter do have vocationally specific training (to AQF Certificate level III). All trades (with Certificate III qualifications) which are listed on the SOL are designated as 60-point occupations.

This arrangement is inconsistent with the principle of encouraging immigration of migrants with high level skills. Some of the trades listed as 60-point occupations, like picture framer and floor finisher, do not involve high level trade training and partly for this reason the best option for filling vacancies is to encourage domestic training in the required skills. There has been a significant extension of new apprenticeships involving Australian Qualifications Framework (AQF) Certificate III since the late 1990s. Some of these fields require the training period to be far less than is the case for traditional apprenticeships (like fitting and turning).

A better approach to the classification of occupations according to whether they justify 60-, 50- or 40-point designation would be to define 60-point occupations as those which require a) high level academic or trade skills, and b) vocationally specific knowledge which is crucial to employment in the occupation. According to these criteria, a biologist would remain a 50-point occupation because someone with this qualification does have a high level of academic skills yet the training lacks a strong vocationally specific component. However, picture framers and floor finishers do not involve high level trade skills (by comparison with carpenters or electricians) though their training is vocationally specific. Under the proposed classification picture framers and floor finishers would be classified as 50-point occupations.

The issue is an important one because, as demand for places in Australia's GSM has increased, the passmark for selection has been increased as a control measure. This has meant that, under the current passmark of 120, the great majority of persons selected comprise those with 60-point occupations. This is appropriate given the policy priority on highly skilled migrants.

There is a high level of demand for entry on the part of skilled migrants. Thus from the point of view of maximising the augmentation of Australia's skilled workforce, the selection system should focus on those with skills that are both of value to Australian employers and which cannot be readily made available through domestic training.

Migrant Occupation Demand List (MODL)

The main mechanism available within the selection system to advantage applicants with skills in demand is the MODL. The only occupations eligible for the MODL are those designated as 60-point occupations on the SOL. (As noted above, if an occupation is in severe oversupply, there is the option to remove it from the SOL.)

The additional points for possessing an occupation on the MODL (whether with a job offer or not) are sufficient to ensure almost all applicants with such an occupation succeed in their application. This is true, for example, of onshore Chinese applicants who are accountants (currently on the MODL) and who only score 15 points on the English test. Conversely, applicants who do not have an occupation on the MODL will struggle to achieve 120 points, especially those applying under visa subclass 880. This is because, unlike subclass 136 applicants, they are unlikely to gain points for specific work experience.

As Table 1.11 shows, more than 43 per cent of those visaed under the 136 subclass who scored 120 points or more did so because their nominated occupation was on the MODL. In the case of those visaed with 120 or more points under subclass 880, more than 80 per cent did so because of MODL points.

Table 1.11: The importance of the MODL and non-work assessment items for Principal Applicants approved under the Skilled Independent subclass with 120 points or more, 2004-05

	subclass 136		subclass 880	
	Approvals	%	Approvals	%
Neither MODL or non-work items	2,038	32	173	5
Both MODL and non-work items	559	9	166	5
MODL only	2,774	43	2,688	80
Non-work items only	1,041	16	334	10
Total approved in 2004-05 with 120 points or more	6,412	100	3,361	100

* Non-work points include points for items that are not, in most cases, directly related to applicants' potential to find work in Australia. They include the spouse skills, bonus points (one of capital investment, six months Australian work experience or community language) and points for an Australian qualification gained at a regional campus.

As noted earlier, the importance of the MODL in meeting the passmark since it was raised to 120 has constituted a huge inducement to overseas students to enrol in the courses which will give them a qualification in a field which is on the MODL. By 2004-05, 30 per cent of those visaed in the 880 category and 18 per cent of those visaed in the 136 visa category held accounting qualifications. These proportions will jump in subsequent years, reflecting the current increase in enrolments in accounting courses. The numbers of subclass 880 PAs scoring 120+ in 2004-05 who were accountants (because of MODL points) were much larger than the number of PAs scoring 120+ who were computing professionals (and therefore did not qualify for MODL points). See Table 1.12.

Table 1.12: Occupations of PAs approved under visa subclass 880 by points gained, 2004-05

	< 115	115	120+	Total
Accountants	112	1,335	2,563	4,010
Computing Professionals	235	4,693	186	5,114
Other	140	3,102	612	3,854
Total	487	9,130	3,361	12,978

Note that accountants were removed from the MODL for a period but were reinstated in September 2004. Computing Professionals (selected specialties with 12 months experience) were removed from the MODL in October 2003.

Prospects of selection if applicants cannot gain points for the MODL

With the passmark set at 120, applicants who cannot gain MODL points need extra points. This is true even of those who gain the maximum possible score on the three compulsory points-assessment items of skill, age and language (110). The extra points can be gained either from the remaining work-related assessment items (specific work experience and Australian qualifications) or from the non-work items (bonus points, spouse skills and Australian qualification gained at a regional campus) or some combination of these. Applicants (without a MODL occupation) under subclass 136 need at least a further ten points and most applicants under subclass 880 need at least a further five points. (The latter need fewer extra points than the former because they have at least five additional points for Australian qualifications.)

Tables 1.13 provides an analysis of the PAs visaed in 2004-05 who gained 120 points without resort to points from the MODL or non-work items for visa subclass 136 (2,038 approvals) and visa subclass 880 (173 approvals). As is shown in the table, the vast majority (85 per cent) of those visaed under subclass 136 gained the needed 10 points through points for three years specific work experience. The only other way in which these points could be gained (without points from the MODL or non-work items) was through holding an Australian qualification.

The handful of PAs (173) in the same situation under visa subclass 880 (also shown in Table 1.13) had to gain the required points through other means. The most common way was through achieving more points for Australian qualifications – either 10 points for completing Honours or Masters combined with an Australian Bachelor degree or 15 points for a PhD qualification. A few gained points for specific work experience. Ninety-one per cent had no such work experience. Those with a pass Bachelor degree and no specific work experience could only achieve 120 points if they gained at least 5 points for the bonus or other non-work assessment items.

Table 1.13: Number of PAs visaed with 120 + points who did not get points for MODL or non-work assessment items, 2004-05

Gained points for	subclass 136		subclass 880	
	Number	%	Number	%
Australian qualifications with specific work experience	235	12	15	9
Australian qualifications (10/15 pts only) without specific work experience	77	4	158	91
No Australian qualifications but gained 10 points for specific work experience	1,726	85	-	-
Total gaining 120+ without MODL or non-work points	2,038	100	173	100

The significance of non-work assessment items

As shown in Table 1.11, 25 per cent of PAs under subclass 136 and 15 per cent of PAs under subclass 880 who scored 120+ points in 2004-05 gained points for the non-work assessment items. These non-work points can be gained via the five points allocated to each assessment item of spouse skills, regional study, or bonus points (for one of community language, Australian work experience or capital investment in Australia). As Table 1.13 indicates, in 2004-05 more than half of those visaed (with 120+ points) under subclass 880 who gained non-work points did so by receiving bonus points, mostly for the community language factor. The basis for the latter judgment derives from unpublished data supplied by DIMA for those approved under subclass 880 in 2001-02 which reports that 345 out of the 371 who gained bonus points did so for community language).

Table 1.14: Number of PAs visaed with 120+ points who gained points on non-work items

Gained points for	subclass 136		subclass 880	
	Number	%	Number	%
Bonus points	1,230	77	268	54
Spouse points	415	26	39	8
Regional campus	85	5	227	45
Total gaining non-work*	1,600	100	500	100

* Note separate items do not add to total because some applicants gain points on more than one assessment item.

The Community Language factor favours applicants who have completed an overseas qualification (of equivalent standard to an Australian degree) taught in a community language. This is because applicants who have completed an overseas degree taught in English are not eligible for the community language points. Thus Masters students from the PRC who have completed an undergraduate degree in China will receive the Community Language bonus points, but Indian students, whose undergraduate degrees have usually been conducted in English, will not. Given the apparent significance of advanced English skills, this is problematic (see further discussion in Chapter 2).

Issues arising

While the 120 passmark remains in place, selection will be determined by how many points applicants can gain from access to points for the MODL, specific work experience or the non-work assessment factors. The non-work assessment factors are likely to play a key role in who gains selection under both the 136 and 880 subclasses. This means that, for thousands of applicants, the selection outcome will be determined not by characteristics that are important to Australian employers and to the overall augmentation of Australia's skilled workforce but rather by factors marginal to the workforce situation.

As indicated, overseas students wishing to gain permanent residence are likely to adjust to this situation by enrolling in courses which lead to MODL points or pursue points for the non-work assessment items. This is an unsatisfactory situation because it is producing an excessive concentration in particular MODL occupations (and, as noted above, the focus is likely to be on relatively undemanding courses).

Options for dealing with these issues include:

a) making additional points available to persons who possess high level English skills; and

b) creating a new temporary-entry post-education visa category which will provide overseas student graduates who cannot achieve 120 points the opportunity to gain additional professional- or trade-level training and/or work experience related to the nominated occupation in Australia.

If these options are to work for onshore applicants, those who do not have work experience in their nominated occupation should not be able to access MODL points. Likewise, access to non-work points should be constrained. In these circumstances applicants will have a strong incentive to pursue one or other of the options described above.

In the case of the non-work factors, the possible constraints are:

1) limiting access to community language points to those who can meet the requirements of the NAATI para-professional standard (formerly known as level 2). This standard requires a lower level of language skills than is required to gain 60 points for nominating the occupation of Translator/Interpreter on the SOL (the NAATI professional standard formerly known as level 3). The effect of this option will be to remove the points for community language for those who previously claimed it on the basis of completing a degree in a community language overseas.

2) the removal of Australian work experience as a component of the bonus points. In these circumstances points for such work experience would be gained through option b) above.

b) **Skilled - Australian Sponsored visa categories**

Visa subclass 138 (offshore) and visa subclass 881 (onshore overseas students)

Purpose

To augment Australia's skill base and at the same time facilitate entry of family members

Assessment method in place to achieve stated purpose

Points assigned for the same criteria as used for the Skilled - Independent visa subclasses 136 and 880, but there is provision for an additional 15 points where the applicant is sponsored by a relative (parent, child, brother/sister, uncle/aunt, extended to nephew/niece in 2005) who is an Australian citizen or permanent resident or an eligible NZ citizen who lives anywhere within Australia.

Subclass 138 and 881 visa applicants can nominate any occupation on the Skilled Occupation List, unless their sponsor lives in Sydney.

Restrictions for applicants whose sponsor lives in 'Sydney and Selected Areas'

If the migrant's sponsor is living in 'Sydney and Selected Areas', the nominated occupation must be on the Sydney and Selected Areas Skilled Shortage List (SSASSL) at the time of both application and assessment.

To satisfy the basic recent work-experience requirements, the work experience of such applicants must be at the skilled level in an occupation on the SSASSL. Also, to gain points for specific work experience, applicants must have worked in an occupation on the SSASSL rather than the SOL. Likewise, points for Australian work experience and spouse skills are only given if the relevant occupations are on the SSASSL.

Extent and type of concessions

Applicants under these visa subclasses gain two concessions. First, as noted above, all applicants benefit from an additional 15 points provided through their relative's sponsorship. Second, the passmark at 110 is ten points lower than the 120 currently required for approval under the Skilled - Independent visa subclasses. The result is that applicants under visa subclasses 138 and 881 are required to assemble 25 fewer points on the other criteria than applicants under visa subclasses 136 and 880. As a result, applicants under the Australian Sponsored visa subclasses are not limited to 60-point occupations. Thus, for overseas students applying under subclass 881, a much wider range of tertiary qualifications are eligible.

What is the Skill - Australian Sponsored visa subclasses 138 and 881 delivering?

Figure 1.3: Number of visas approved, visa subclasses 138 and 881, 2000-01 to 2004-05

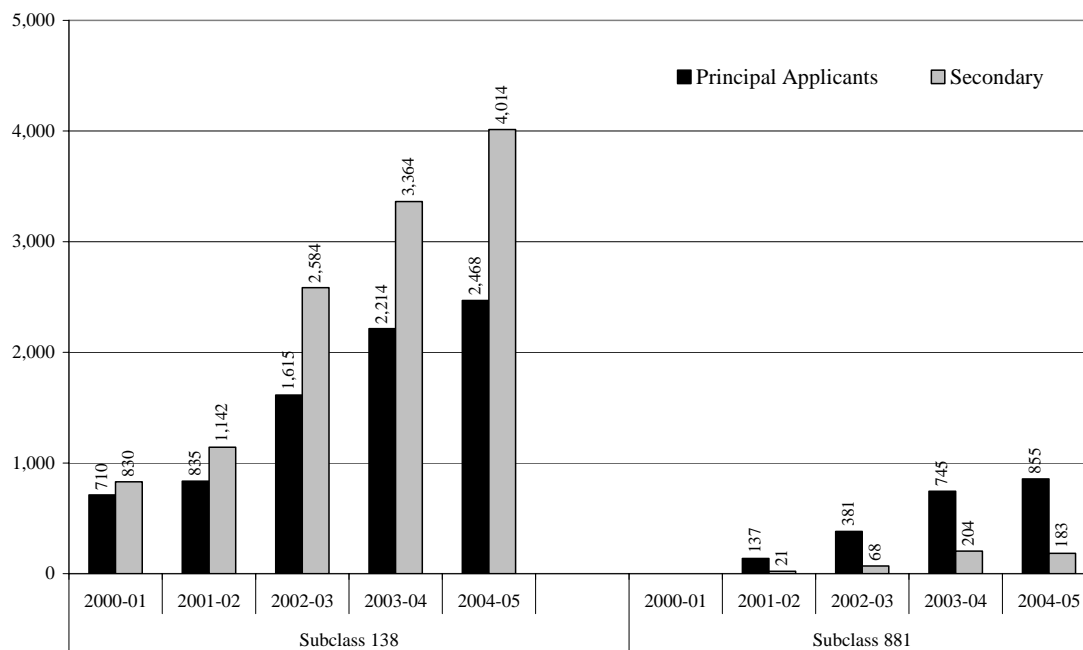


Figure 1.4: Age of Principal Applicants approved under visa subclasses 138 and 881, 2000-01 to 2004-05

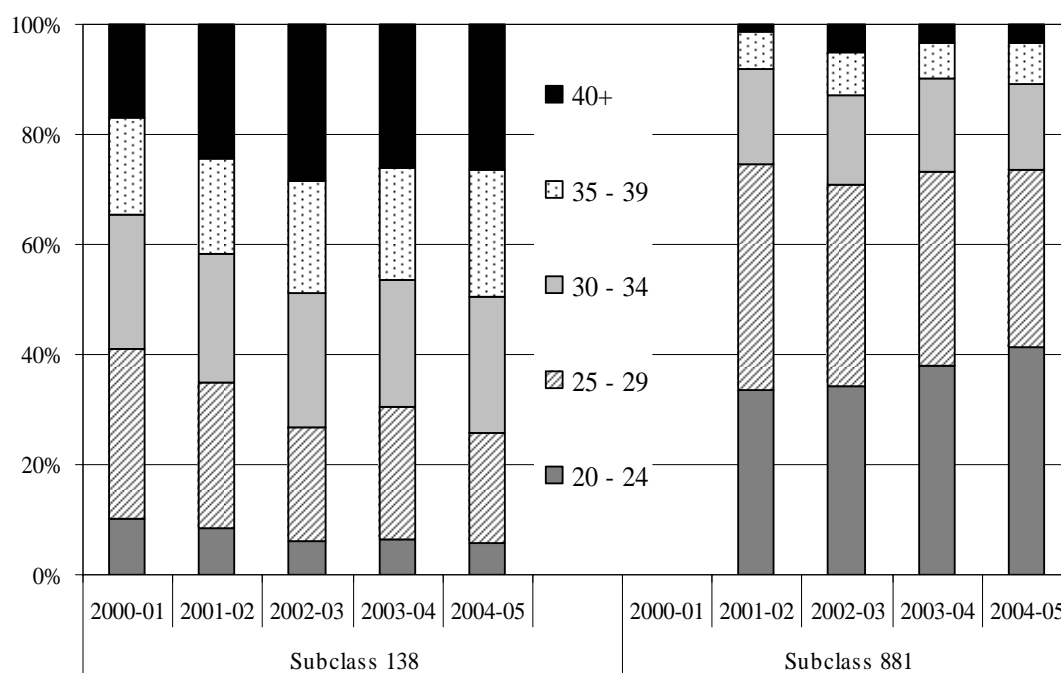


Table 1.15: Occupations of Principal Applicants approved under visa subclass 138, 2000-01 to 2004-05

MODL and Occupation	2000-01	2001-02	2002-03	2003-04	2004-05
1112 General Managers	9	10	33	30	40
1224 Information Technology Managers	4	8	9	6	9
Rest of Managers	20	22	61	67	74
1 Managers & Administrators	33	40	103	103	123
2115 Medical Scientists	2	7	9	10	11
Rest of Natural & Physical Sci Profs	30	29	35	52	60
2121 Architects & Lscape Architects	6	3	9	10	13
2124 Civil Engineers	8	7	16	15	23
2125 Electrical & Electronics Engrs	8	4	7	14	15
2126 Mechanical Prodn & Plant Engrs	1	1	9	12	18
2128 Engineering Technologists	9	4	15	17	20
Rest of Building & Engineering Profs	17	16	20	29	37
* 2211 Accountants	48	52	43	70	124
2221 Marketing & Advertising Profs	74	79	153	193	198
2231 Computing Professionals	67	92	87	206	170
2294 Business & Organisation Analysts	29	44	52	95	86
Rest of Business & Information Profs	71	84	189	260	298
* 231 Medical Practitioners	0	0	2	0	3
* 2323 Registered Nurses	10	11	26	20	18
* 2324 Registered Midwives	2	0	1	1	2
* 2325 Registered Mental Health Nurses	2	1	2	2	2
* 2382 Pharmacists	1	2	5	9	10
* 2383 Occupational Therapists	0	0	3	1	1
* 2385 Physiotherapists	0	0	1	0	4
* 2391 Medical Imaging Professionals	3	0	1	1	2
Rest of Health Professionals	2	2	7	5	13
2412 Primary School Teachers	7	9	20	20	19
2413 Secondary School Teachers	16	16	25	24	35
Rest of Education Professionals	7	12	17	29	29
2522 Economists	18	15	33	36	35
2529 Other Social Professionals	6	12	9	15	12
Rest of Professionals	34	34	78	113	120
2 Professionals total	478	537	874	1,259	1,378
312 Building & Engineering Assoc Prof	14	7	20	28	33
321 Finance Associate Professionals	14	12	25	31	41
3291 Office Managers	21	33	62	101	115
3292 Project & Program Administrators	1	6	12	27	30
* 3322 Chefs	1	4	7	7	7
3323 Hotel & Motel Managers	0	0	3	13	24
Rest of Associate Professionals	10	19	39	48	25
3 Associate Professionals	61	81	168	255	275
* 4112 Metal Fitters & Machinists	4	9	33	24	18
* 4113 Toolmakers	1	1	5	3	5
* 4122 Structl Steel & Welding Trades	0	4	8	10	14
* 4124 Sheetmetal Tradespersons	0	0	2	1	2
* 4211 Motor Mechanics	5	10	24	29	34
* 4212 Automotive Electricians	0	1	6	7	2
* 4213 Panel Beaters	1	3	0	3	4
* 4214 Vehicle Painters	1	1	0	3	4
4311 Electricians	14	8	26	29	28
* 4312 Refrigeration & Aircon Mechanics	3	1	7	10	3
4411 Carpentry & Joinery Tradespersons	4	5	13	15	22
4431 Plumbers	3	1	8	10	12
* 4512 Bakers & Pastrycooks	2	0	3	3	5
4513 Cooks	2	8	7	7	22
4931 Hairdressers	3	7	18	18	22
* 4942 Upholsterers & Bedding Trades	1	0	0	0	2
Rest of Tradespersons	30	29	87	112	137
Tradespersons total	74	88	247	284	336
Total Principal Applicants (incl unknown)	710	835	1,615	2,214	2,468

Table 1.16: Occupations of Principal Applicants approved under visa subclass 881, 2000-01 to 2004-05

MODL and Occupation	2001-02	2002-03	2003-04	2004-05
1112 General Managers				1
1224 Information Technology Managers			2	
Rest of Managers	1	5	18	24
1 Managers & Administrators	1	5	20	25
2115 Medical Scientists			1	1
Rest of Natural & Physical Sci Profs	3	11	35	56
2121 Architects & Lscape Architects		3	3	4
2124 Civil Engineers	1		1	4
2125 Electrical & Electronics Engrs		1	3	2
2126 Mechanical Prodn & Plant Engrs		2	2	4
2128 Engineering Technologists			1	1
Rest of Building & Engineering Profs		4	7	11
* 2211 Accountants	5	10	40	48
2221 Marketing & Advertising Profs	27	47	93	99
2231 Computing Professionals	14	28	83	102
2294 Business & Organisation Analysts	23	53	64	90
Rest of Business & Information Profs	31	39	116	162
* 231 Medical Practitioners				
* 2323 Registered Nurses		2	3	
* 2324 Registered Midwives				
* 2325 Registered Mental Health Nurses				
* 2382 Pharmacists				
* 2383 Occupational Therapists				
* 2385 Physiotherapists			1	
* 2391 Medical Imaging Professionals			1	
Rest of Health Professionals		1	3	2
2412 Primary School Teachers				1
2413 Secondary School Teachers		2	2	2
Rest of Education Professionals	2	2	14	14
2522 Economists	5	10	28	35
2529 Other Social Professionals	2	3	9	11
Rest of Professionals	14	31	79	120
2 Professionals total	127	249	589	769
312 Building & Engineering Assoc Prof				
321 Finance Associate Professionals			1	
3291 Office Managers	1	2	2	2
3292 Project & Program Administrators			1	1
* 3322 Chefs				
3323 Hotel & Motel Managers	2	7	23	30
Rest of Associate Professionals		2	7	1
3 Associate Professionals	3	11	34	34
4311 Electricians		1		
4513 Cooks		2	11	16
* 4931 Hairdressers				3
Rest of Tradespersons		2	2	4
Tradespersons total		5	13	23
Other including unknown	6	116	102	27
Total Principal Applicants	137	381	745	855
* Occupation or sub-component of occupation was on the MODL as of 8 September 2004				

Table 1.17: Language background of Principal Applicants approved under visa subclasses 138 and 881

	Visa subclass 138					Visa subclass 881				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
Main English-speaking*	138	174	542	675	803	3	17	35	35	
Non English-speaking	571	660	1,071	1,539	1,661	127	357	704	817	
Total	710	835	1,615	2,214	2,468	137	381	745	855	
	Per cent of Principal Applicants									
Main English-speaking*	19	21	34	30	33	2	4	5	4	
Non English-speaking	80	79	66	70	67	93	94	94	96	
Total	100	100	100	100	100	100	100	100	100	100

* Main English-speaking background countries are the United Kingdom, Irish Republic, United States of America, Canada and South Africa

Table 1.18: Country of citizenship of professionals and tradespersons, Principal Applicants approved under visa subclasses 138 and 881

Major Occupation and region of citizenship	Subclass 138					Subclass 881				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
Professionals										
UK & Ireland	39	57	156	185	267		2	11	17	23
South Africa	17	11	65	91	63		1	1	4	6
USA & Canada	5	14	10	20	28			1	3	2
China	38	63	88	168	122		16	24	78	84
Rest of NE Asia	66	61	55	95	105		18	41	103	151
India	84	57	136	178	196		10	22	33	44
Rest of Sth & Central Asia	22	31	34	57	106		16	14	42	72
SE Asia	105	161	204	335	334		48	104	249	298
Rest	102	82	126	130	157		16	31	60	89
Professionals Total	478	537	874	1,259	1,378	na	127	249	589	769
Tradespersons & Related Workers										
UK & Ireland	29	33	129	130	196			1	1	4
South Africa	4	1	16	22	11					
USA & Canada	2	2	0	2	4					
India	10	12	33	32	21				1	1
Rest of Asia	5	15	21	34	48			3	7	12
Rest	24	25	48	64	56			1	4	6
Tradespersons & Rel. Wkrs Total	74	88	247	284	336	na		5	13	23

Table 1.19: State of residence of Principal Applicants visaed under subclasses 138 and 881

Residence	Per cent of Principal Applicants by year of arrival								Total
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05 (11mths)	
Visa subclass 138									
Sydney		18	42	53	52	52	53	37	48
NSW total		18	47	56	54	55	55	53	54
Melbourne			6	13	12	9	6	4	7
VIC total			8	14	13	9	6	7	9
Brisbane		9	8	7	9	8	8	5	7
QLD total	25	9	13	10	11	11	10	10	10
Adelaide				1	1	1	1	1	1
SA total				1	1	1	1	2	1
Perth			5	12	14	17	21	13	16
WA total			6	13	15	18	21	19	18
ACT total			2	1	1	1	0	1	1
Not stated	75	73	24	4	5	4	5	8	6
Total	100	100	100	100	100	100	100	100	100
Total subclass 138	4	11	62	586	780	1,142	2,249	2,073	6,907
Visa subclass 881									
Sydney	100	75	66	67	59	56	47	59	57
NSW total	100	75	67	69	61	58	49	63	59
Melbourne		17	10	10	13	19	19	3	16
VIC total		17	10	10	13	19	20	3	16
Brisbane		4	13	8	8	6	8	9	7
QLD TOTAL		4	14	10	12	7	9	13	9
Adelaide				1	2	3	1		2
Perth		4	3	8	9	11	18	6	11
WA TOTAL		4	3	8	9	11	18	6	11
ACT			4	1	2	1	1		1
Not stated			1	1	1	1	2	16	2
Total	100	100	100	100	100	100	100	100	100
Total subclass 881	10	24	70	208	373	568	330	32	1,615
The total for each State includes those living outside the capital city as well as those whose location within the State is unknown. Table does not display locations where less than 0.5% of settlers live but their numbers are included in the total.									
Source: Settlement Database									

Issues arising with subclass 138

As noted earlier, there is currently a large 25-point concession to applicants sponsored by relatives in Australia under this subclass. The concession was increased from 20 to 25 points on 14 April 2004 when the pass mark for visa subclass 136 increased from 115 to 120, but no parallel increase was introduced for the passmark for visa subclass 138, which stayed at 110.

Successful applicants who benefit from this concession are not required to live near their sponsoring relatives. About half settle in Sydney and 15 to 20 per cent in Perth (according to the DIMA settlement database).

In comparison to visa subclass 136, those approved under visa subclass 138 are older (50 per cent are aged 35 or more, compared with 30 per cent of 136s), they are more likely to have more family members accompanying them (over the three years 2002-03 to 2004-05, for every PA under subclass 138, there were 1.6 accompanying family members, whereas, for PAs under the 136 subclass, there were 1.2 accompanying family members).

As regards skill levels, the main difference with the visa 136 subclass is that there a greater diversity of occupations. Computing and accounting professionals accounted for only 14 to 15 per cent of the PAs visaed, compared with more than 40 per cent of PAs approved under visa subclass 136. Another difference is the significant presence of associate professionals and, within the professional category, of several 50 points occupations - mainly business professionals - amongst subclass 138 (see Table 1.20).

Table 1.20: Broad occupation of Principal Applicants visaed under visa subclasses 138 and 136, 2003-03 to 2004-05

	Visa subclass 138			Visa subclass 136		
	2002-03	2003-04	2004-05	2002-03	2003-04	2004-05
Per cent of Principal Applicants						
Managers & Administrators	6	5	5	5	4	3
Professionals	54	57	56	74	80	78
Associate Professionals	10	12	11	1	1	1
Tradespersons	15	13	14	19	15	17
Other (mostly unknown)	14	14	14	0	0	0
Total	100	100	100	100	100	100
Total PAs visaed	1,615	2,214	2,468	13,540	12,276	11,826
Per cent of PAs excluding 'other' (mostly unknown) occupations						
Managers & Administrators	7	5	6	5	4	3
Accountants	3	4	6	13	13	18
Computing Professionals	6	11	8	19	33	24
Rest of Business Professionls	28	29	28	11	6	4
Professionals total	63	66	65	74	80	78
Associate Professionals	12	13	13	1	1	1
Tradespersons	18	15	16	19	15	17
Total	100	100	100	100	100	100
PAs excluding 'other' occpns	1,392	1,901	2,112	13,520	12,259	11,814

Issues arising with subclass 881

The issues arising for visa subclass 881 are similar to those raised for subclass 138. They receive a large 25 point concession and, like the 138s, there is no requirement that those visaed live near their relatives. Most settle in Sydney (see Table 1.19).

The existence of the 881 subclass and its significant concessions complicates the task of managing demand under the 880 visa subclass. As indicated in Figure 1.3, the numbers visaed under this subclass doubled between 2002-03 and 2004-05 to reach 855 Principal Applicants in 2004-05. The issues raised in discussion of the 880 visa subclass apply equally to this subclass though perhaps with even more force. This is because those who have found it difficult to meet the standard required for an 880 visa (60-point occupation for those without a PhD and passmark of 120) have a strong incentive to seek out a potential relative to sponsor them. It is also the main onshore change-of-status option for overseas students whose training in Australia is in a 50-point occupation.

c) **Skilled - State Specific and Regional Migration Categories**

Visa subclasses 139 Designated Area Sponsored (offshore) and 882 (onshore overseas students); 134 Skill Matching and 137 State/Territory Nominated Independent; 495 Skill Independent Regional

Introduction

The State Specific and Regional Migration (SSRM) visa group emerged out of concerns on the part of some states that Australia's migration settlement pattern was being skewed towards the larger metropolitan centres, particularly Sydney.⁵ Some, but not all, states also believed that they should have a role in identifying local skill shortages because they had a better grasp over these circumstances than did the Commonwealth authorities. Some, including Victoria, South Australia and Tasmania, also wished to promote migration levels within their jurisdictions because of a policy commitment to population growth. Their priority was state growth. As a consequence, the initial SSRM visas (detailed below) functioned on a state-wide, rather than on a regional, basis. In the early years Victoria and South Australia were the main participants, with the majority of migrants settling in Melbourne and, to a lesser extent, in Adelaide. As the Joint Standing Committee on Migration reported in its September 2001 *Review of State-Specific Migration Mechanisms*, this conflation of state and regional has caused endless confusion and much criticism because of the lack of a regional focus.⁶

Perhaps in response to this criticism, as well as complaints from the New South Wales Government about excessive concentration of recently arrived migrants in Sydney, the Australian Government introduced a new regional specific migration category (the SIR visa, discussed further below) on 1 July 2004. For this visa, the eligible locations (see Table 1.3) are defined as areas with low population growth and beneath a certain population size. This definition explicitly excludes Melbourne.

This issue of eligible locations for the SSRM visa categories is significant because Attachment A of the terms of reference for this inquiry specifically focuses on the extent to which the GSM program helps 'address the skilled labour needs of regional Australia'.

⁵ *New Faces, New Places*, Review of State Specific Migration Mechanisms, Report of the Joint Standing Committee on Migration, 2001, p. 4

⁶ *ibid.*, Ch. 3

Visa class 139 - Skilled Designated Area Sponsored (SDAS)

Purpose

Visa subclass 139 reflects the state concern noted above, notably some states' concerns about population growth. From mid-2006 this subclass will change to a two-stage three-year provisional visa which can lead to permanent residence if the migrant lives for a minimum of two years and works or studies for at least one year in the designated area of the family sponsor. A matching onshore student visa (subclass 882) was introduced on 1 July 2001. Unlike visa subclass 139, it has not been changed to a two-stage visa.

Assessment method in place to achieve stated purpose

The applicant has to have a relative who is willing and able to sponsor them, and who is one of the following: an Australian citizen, an Australian permanent resident or an eligible New Zealand Citizen. The relative/sponsor must be one of the following: parent, child, brother/sister, uncle/aunt, grandparent, cousin. From 1 November 2005, nieces and nephews were added to this list. The eligible relative must live, and have lived, in one of the following designated areas in the 12 months before the applicant lodges their application: ACT, South Australia, Northern Territory, Tasmania, Victoria, Queensland - except Brisbane and the Gold Coast, New South Wales - except Sydney, Newcastle and Wollongong and Western Australia - except Perth. Melbourne is included in the list of eligible locations. This arrangement dates to negotiations between the Kennett Victorian and Commonwealth Governments at the end of the 1990s.

Extent and type of concessions

The 139 and 882 visa subclasses are not points tested. The applicant must have an occupation listed on the SOL. By contrast, with the points-tested visa subclasses, where very few applicants will pass unless they have a 60-point occupation, all 50 and 40-point occupations are eligible under these visa subclasses. Basic recent work experience requirements are also less stringent for subclass 139 (requiring half that for subclass 136).

The applicant's qualification must be accredited by the relevant accrediting authority, and applicants must not be aged over 45 and must possess post-secondary qualifications. In most cases they must possess vocational English (that is, must score at least 5 on each of the four components of the IELTS test). However, the lower standard of 'functional' English is acceptable (4.5 on the four components of IELTS), if arrangements are made with a participating State or Territory Government to upgrade English skills after the visa is granted.

Previously a qualification gained from at least two years full-time study at an institution where instruction is in English was sufficient to demonstrate the required vocational English language ability for subclass 882. Since 1 November 2005, applicants from countries where English is not the main language spoken have been required to undertake an IELTS test.

What are the Skill -Designated Area Sponsored visa subclasses 139 and 882 delivering?

Figure 1.5: Number of visas approved, visa subclasses 139 and 882, 2000-01 to 2004-05

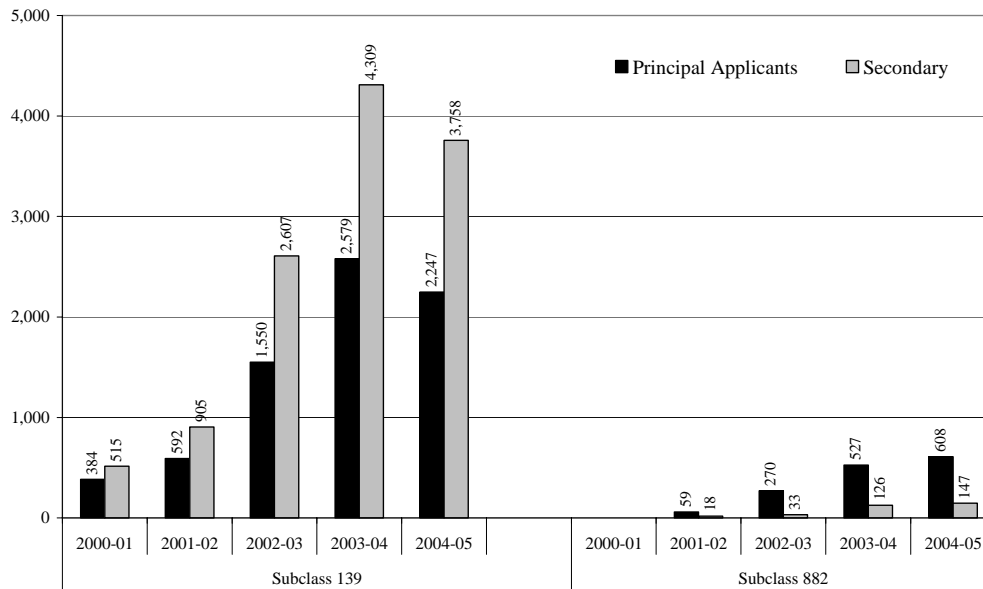


Figure 1.6: Age of Principal Applicants approved under visa subclasses 139 and 882, 2000-01 to 2004-05

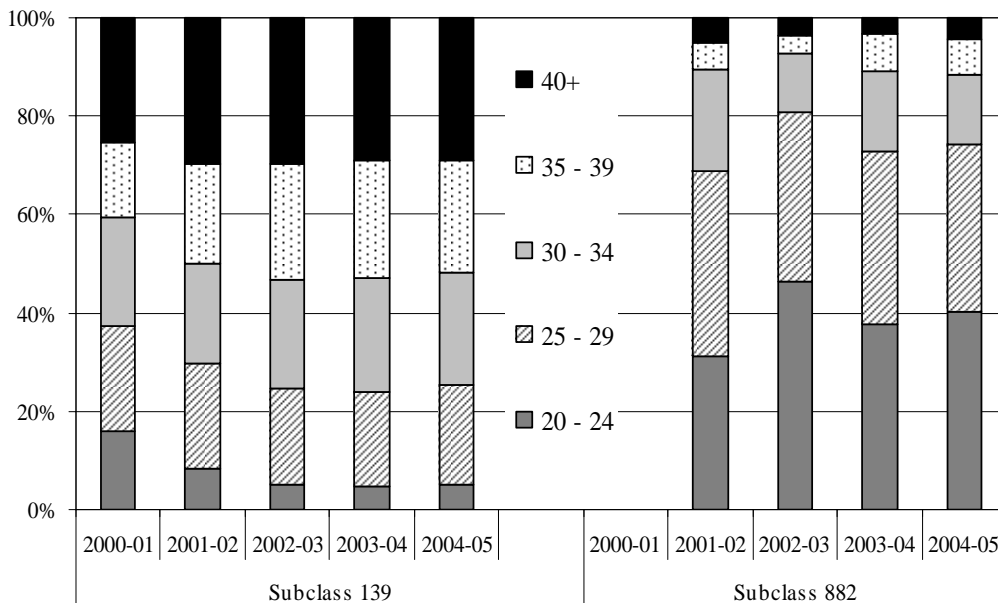


Table 1.21: Occupations of Principal Applicants approved under visa subclass 139, 2000-01 to 2004-05

MODL and Occupation	2000-01	2001-02	2002-03	2003-04	2004-05
1112 General Managers	4	6	16	28	21
1224 Information Technology Managers	2	5	8	12	6
Rest of Managers	12	9	48	58	53
1 Managers & Administrators	18	20	72	98	80
2115 Medical Scientists	2	1	5	20	9
Rest of Natural & Physical Sci Profs	9	16	50	65	50
2121 Architects & Lscape Architects	5	3	8	5	9
2124 Civil Engineers	2	5	8	10	7
2125 Electrical & Electronics Engrs	1	2	3	17	17
2126 Mechanical Prodn & Plant Engrs	4	4	12	8	17
2128 Engineering Technologists	1	3	4	17	19
Rest of Building & Engineering Profs	7	3	18	29	18
* 2211 Accountants	17	31	57	65	65
2221 Marketing & Advertising Profs	38	30	127	173	140
2231 Computing Professionals	32	50	78	158	111
2294 Business & Organisation Analysts	8	17	27	69	55
Rest of Business & Information Profs	31	53	146	255	226
* 231 Medical Practitioners	1	1			5
* 2323 Registered Nurses	4	11	15	15	7
* 2324 Registered Midwives		1		2	2
* 2325 Registered Mental Health Nurses			2	2	
* 2382 Pharmacists	1	1	2	6	5
* 2383 Occupational Therapists		1	2		1
* 2385 Physiotherapists			1	3	1
* 2391 Medical Imaging Professionals				1	
Rest of Health Professionals	4	2	7	8	9
2412 Primary School Teachers	3	4	12	13	13
2413 Secondary School Teachers	8	6	20	21	30
Rest of Education Professionals	3	7	21	33	18
2522 Economists	12	6	16	28	18
2529 Other Social Professionals	3	3	5	17	12
Rest of Professionals	22	34	57	104	103
2 Professionals total	219	296	705	1,146	973
312 Building & Engineering Assoc Prof	12	32	59	91	76
321 Finance Associate Professionals	12	20	40	93	59
3291 Office Managers	27	33	104	208	175
3292 Project & Program Administrators	4	18	31	75	103
* 3322 Chefs	2	2	6	7	4
3323 Hotel & Motel Managers				20	29
Rest of Associate Professionals	11	27	53	85	69
3 Associate Professionals	68	132	293	579	515
* 4112 Metal Fitters & Machinists	8	7	28	39	30
* 4113 Toolmakers	1	3	6	4	6
* 4122 Structl Steel & Welding Trades	1	3	13	10	9
* 4124 Sheetmetal Tradespersons			3	1	1
* 4211 Motor Mechanics	3	6	16	32	24
* 4212 Automotive Electricians	1	1	3	3	3
* 4213 Panel Beaters			2	2	1
* 4214 Vehicle Painters			3	7	1
4311 Electricians	3	6	24	34	21
* 4312 Refrigeration & Aircon Mechanics	2	4	6	5	13
4411 Carpentry & Joinery Tradespersons	2	1	18	14	18
4431 Plumbers	4	2	10	11	8
* 4512 Bakers & Pastrycooks	3		3	5	4
4513 Cooks	2	3	15	27	19
* 4931 Hairdressers	1	3	11	19	18
* 4942 Upholsterers & Bedding Trades				3	3
Rest of Tradespersons	10	24	92	122	145
4 Tradespersons total	41	63	253	338	324
Other including unknown	79	144	480	756	679
Total Principal Applicants	384	592	1,550	2,579	2,247

* Occupation or sub-component of occupation was on the MODL as of 8 September 2004

Table 1.22: Occupations of Principal Applicants approved under visa subclass 882, visas granted 2000-01 to 2004-05

MODL and Occupation	2001-02	2002-03	2003-04	2004-05
1 Managers & Administrators total	1	2	5	7
2115 Medical Scientists		1	1	4
Rest of Natural & Physical Sci Profs	1	8	10	24
2121 Architects & Lscape Architects		1		
2124 Civil Engineers			1	
2125 Electrical & Electronics Engrs				2
2126 Mechanical Prodn & Plant Engrs		1		
2128 Engineering Technologists			3	2
Rest of Building & Engineering Profs	1	2	1	4
* 2211 Accountants	1	2	8	16
2221 Marketing & Advertising Profs	4	12	32	44
2231 Computing Professionals	2	17	34	51
2294 Business & Organisation Analysts	5	10	27	35
Rest of Business & Information Profs	6	21	68	100
* 2323 Registered Nurses	1	1		1
* 2382 Pharmacists			1	2
* 2385 Physiotherapists		3		
Rest of Health Professionals	1		1	
2412 Primary School Teachers				2
2413 Secondary School Teachers		2	2	2
Rest of Education Professionals			3	7
2522 Economists	1	8	16	13
2529 Other Social Professionals		2	10	5
Rest of Professionals	3	12	36	43
2 Professionals total	26	103	254	358
312 Building & Engineering Assoc Prof		7	7	8
321 Finance Associate Professionals	3	8	11	17
3291 Office Managers	16	19	54	66
3292 Project & Program Administrators	3	16	48	56
* 3322 Chefs			1	1
3323 Hotel & Motel Managers	2	6	22	37
Rest of Associate Professionals	4	8	33	29
3 Associate Professionals	28	64	176	214
* 4112 Metal Fitters & Machinists				1
* 4211 Motor Mechanics		1		
* 4212 Automotive Electricians		1		
* 4512 Bakers & Pastrycooks			3	5
4513 Cooks			4	5
* 4931 Hairdressers		3	2	4
Rest of Tradespersons		1	2	10
4 Tradespersons total		6	11	25
Other including unknown	4	101	92	29
Total Principal Applicants	59	270	527	608

* Occupation or sub-component of occupation was on the MODL as of 8 September 2004

Table 1.23: Language background of Principal Applicants approved under visa subclasses 139 and 882

	Visa subclass 139					Visa subclass 882				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
Main English-speaking*	64	127	491	737	662	3	8	25	29	
Non English-speaking	320	465	1,057	1,841	1,584	54	258	500	575	
Total	384	592	1,550	2,579	2,247	59	270	527	608	
	Per cent of Principal Applicants									
Main English-speaking*	17	21	32	29	29	5	3	5	5	
Non English-speaking	83	79	68	71	70	92	96	95	95	
Total	100	100	100	100	100	na	100	100	100	100

* Main English-speaking background countries are the United Kingdom, Irish Republic, United States of America, Canada and South Africa

Table 1.24: Country of citizenship of Professionals, Associate Professionals and Tradespersons, Principal Applicants approved under visa subclasses 139 and 882

Major Occupation and region of citizenship	Subclass 139					Subclass 882				
	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
Professionals										
UK & Ireland	12	29	145	174	181			2	4	9
South Africa	6	10	33	61	28		1		1	2
USA & Canada	2	3	9	10	14				1	
China	12	16	70	169	83		4	15	31	37
Rest of NE Asia	22	12	29	46	36		1	12	35	38
India	40	45	118	209	181		4	7	21	42
Rest of Sth & Central Asia	17	46	68	87	103		7	4	20	42
SE Asia	86	99	155	257	248		8	48	116	148
Rest	22	36	78	133	99		1	15	25	40
Professionals Total	219	296	705	1,146	973	na	26	103	254	358
Associate Professionals										
UK & Ireland	5	19	54	94	99			1	11	9
South Africa	5	7	21	26	12		1		1	1
USA & Canada	1			7	6					1
China	5	15	38	105	87			4	7	15
Rest of NE Asia	5	2	6	24	22		1	9	25	29
India	12	13	52	90	73		7	15	13	21
Rest of Sth & Central Asia	5	21	22	27	42		8	10	22	28
SE Asia	17	42	68	153	139		4	16	57	56
Rest	13	13	32	53	35		7	9	40	54
Associate Professionals Total	68	132	293	579	515	na	28	64	176	214
Tradespersons & Related Workers										
UK & Ireland	10	19	100	157	165					4
South Africa	3	4	11	12	10				1	
USA & Canada	1	4	2	4	2					
China		1	3	9	10				1	1
Rest of NE Asia			3	1	2			1	1	4
India	10	13	36	50	43			1	1	3
Rest of Sth & Central Asia	3	5	20	18	29				3	3
SE Asia	3	7	21	26	14				3	8
Rest	11	10	57	61	49			4	1	2
Tradespersons & Rel. Wks Total	41	63	253	338	324	na		6	11	25

Table 1.25: State of residence of Principal Applicants visaed under subclasses 139 and 882

Residence	Per cent of Principal Applicants by year of arrival								Total
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05 (11 mths)	
Visa subclass 139									
Sydney			9	8	6	6	5	4	5
<i>NSW total</i>		11	9	10	8	8	8	7	8
Melbourne		11	46	55	62	61	60	41	54
<i>VIC total</i>		11	51	63	67	64	63	60	62
Brisbane	23		3	2	2	3	3	3	3
<i>QLD total</i>	23		6	5	5	7	8	9	8
Adelaide				6	6	7	7	5	6
<i>SA total</i>				6	7	8	8	8	8
Perth			3	4	3	3	2	2	2
<i>WA total</i>			3	5	3	4	4	3	4
Hobart				1	1	1	0	0	0
<i>TAS total</i>				1	1	2	1	1	1
Darwin				1	0	0	1	0	0
<i>NT total</i>				1	0	0	1	1	1
Canberra				3	3	3	3	3	3
<i>ACT total</i>				4	4	3	3	3	3
Not stated	77	78	31	7	5	5	5	8	6
Total	100	100	100	100	100	100	100	100	100
Total subclass 138	13	9	35	333	553	982	2,724	2,073	6,722
Visa subclass 882									
Sydney	23	11	7	15	11	8	13	6	11
<i>NSW total</i>	23	11	7	16	12	8	13	6	11
Melbourne	69	79	81	60	66	67	67	61	67
<i>VIC total</i>	69	79	81	62	66	68	68	61	68
Brisbane			1	2	4	3	3	11	3
<i>QLD total</i>			4	6	6	7	4	11	6
Adelaide		11		4	4	6	6		5
<i>SA Total</i>		11		4	4	6	6	1	5
Perth				3	2	4	4	6	3
<i>WA total</i>				3	3	5	4	6	3
Hobart					2	1			1
ACT			4	7	5	3	4	6	4
Not stated			3	2	2	2	1	11	2
Total	100	100	100	100	100	100	100	101	101
Total subclass 881	13	19	74	177	280	378	196	18	1,155

The total for each State includes those living outside the capital city as well as those whose location within the State is unknown. Where only the capital city is shown, there are no (or very few) PAs living outside this area.

Source: Settlement Database

Issues arising for visa subclass 139

The 139 visa subclass is expanding rapidly. There were 2,247 visas issued to PAs in 2004-05 (compared with 2,468 for the Skilled - Australian Sponsored visa subclass 138).

The occupations of PAs arriving from overseas as settlers over the years from 2000-01 to 2003-04 are shown in Table 1.21. The distinctive aspect of these occupations is their diversity. This is much wider than is the case for the Skilled - Independent subclass because, as noted, all applicants with occupations on the SOL are eligible, not just those with 60-point occupations. There are large numbers of persons coming under 50-point occupations such as Marketing and Advertising Professionals, and Office Managers.

There are two employment-related issues which are relevant to the review of the GSM. One is the relatively untargeted nature of the occupations being selected. Many are in the management and clerical area where skill shortages would not appear to be a significant concern. Another is the relatively low level of English that is acceptable. Generally Level 5 (vocational English) is required, but in some circumstances Level 4.5 (functional English) is deemed sufficient. These characteristics would appear to explain the relatively poor employment outcomes for PAs in this visa subclass (see Chapter Two).

Another concern is the inclusion of Melbourne as an eligible designated area. Nearly two-thirds of migrants visaed under subclass 139 are locating in Melbourne (see Table 1.25). There does not appear to be any convincing rationale as to why migrants sponsored under this concessional category should be permitted to settle in Melbourne.

The change to a provisional visa due to be introduced in mid-2006 would have merit if it were about ensuring that migrants under subclass 139 (who have gained permanent residence under a highly concessional scheme aimed at addressing regional needs) actually stayed in a regional area. In reality, the inclusion of Melbourne as a designated area means that relatively few of the migrants sponsored will have to live in a regional area even after the new rules come into effect. The only additional constraint in the visa is that in order to obtain a permanent resident visa, the applicant will have to work or study for a 12 months in a designated area.

Issues arising for visa subclass 882

The number of visas issued under the 882 category is also growing rapidly. Further expansion is likely given that applicants who cannot achieve the points required for application under the 880 subclass will have a strong motive to find a sponsor living in a designated area.

Most are likely to locate in Melbourne, so like visa subclass 139 above, there is no regional benefit associated with this visa subclass, and yet significant selection concessions are involved. In addition, unlike the 139 visa, there is no provisional visa requirement preceding permanent residence.

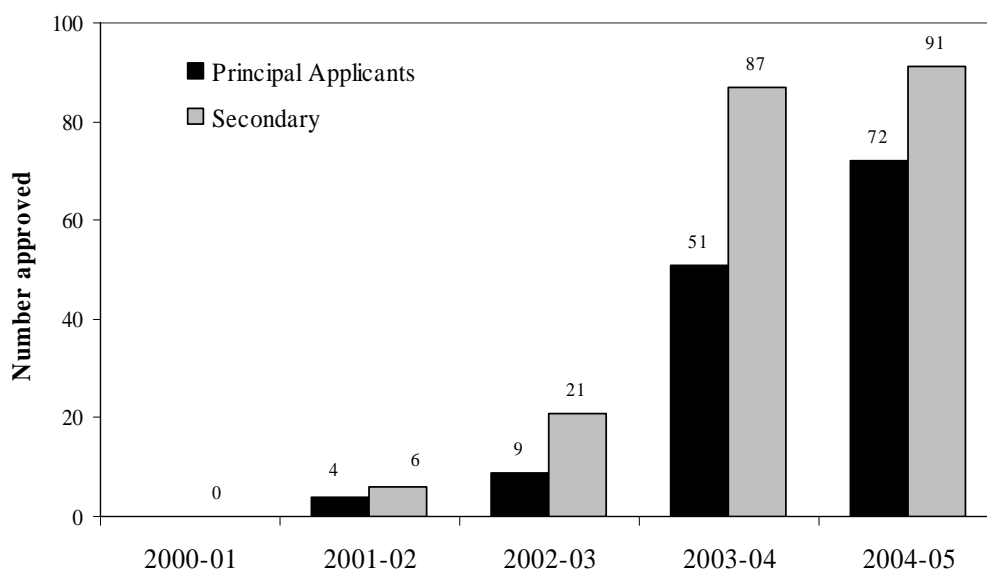
Non-points tested Skill Matching visa subclass 134

The Skill Matching visa has been designed to help overcome skill shortages by helping migrants who cannot meet the Skilled - Independent passmark to settle in parts of Australia where their skills and abilities are in demand. To be granted a Skill Matching (subclass 134) visa, the applicant must be nominated by a participating State or Territory government and must hold an occupation which the relevant State/Territory authority indicates is in shortage in their state or territory. Not all Australian States or Territories participate in this scheme. Currently participating States/Territories are South Australia, Tasmania, Victoria and Western Australia. Employers can also nominate persons to fill vacancies which they cannot fill from the local labour market. If migrants are nominated by a regional employer, all areas of Australia are covered except Sydney, Newcastle, Wollongong, Melbourne, Perth, Brisbane and the Gold Coast.

Since 1 November 2002, concessions have been made to the language requirements so that generally applicants need functional English (that is, an overall band score of 4.5 on the four components of IELTS) if sponsored by an employer, or vocational English if nominated by a State/Territory. Some State/Territory-nominated applicants with functional English, who make acceptable arrangements with a participating State or Territory government before their visa is granted, can undertake study to upgrade their English after the visa is granted. Currently these upgrade arrangements are in place in South Australia and Tasmania. Another concession is that the recent work experience threshold is six months rather than the 12 months required for most other visa subclasses.

Most of those nominated appear to be classified for visa purposes under the STNI visa subclass 137. Hence there are very few migrants visaed under the Skill Matching visa subclass 134 (see Figure 1.7). For this reason, a detailed analysis of the outcomes for this visa subclass is not included.

Figure 1.7: Number of visas approved, visa subclass 134, 2000-01 to 2004-05



Skilled STNI visa subclass 137

Purpose

The purpose is to allow participating State Governments to promote migration to their States to meet State-specific skill shortages.

Assessment method in place to achieve stated purpose

Applicants need to obtain sponsorship from an approved State/Territory Government agency (currently South Australia, Tasmania, Victoria and Western Australia). Each of these States sponsors on a statewide basis. There is an attempt to address regional skill needs. However, aside from expecting migrants to embrace a commitment to living in a regional area, there are no mechanisms within the visa conditions to require those sponsored to locate in a regional area.

States make their decisions on who to sponsor by inviting prospective applicants to indicate their interest. Migrants are advised of the option through the respective State websites. States then determine whether the applicant has the characteristics (including occupation) suitable for nomination under the STNI program. States can also interrogate the Skill Matching Data Base for prospective persons they may wish to sponsor. No job is arranged by the nominating government.

The applicant's occupation must be on the nominating State/Territory's Skills Shortage List and the applicant must meet the poolmark in the GSM points test (70 points). States draw their information on job shortages from a variety of sources, including industry bodies.

Extent and type of concessions

There is no points test apart from meeting the current poolmark of 70 points. The applicant's occupation must be on the SOL. This is a substantial concession relative to the assessment criteria for the Skilled -Independent category (visa subclass 136). The visa also confers immediate permanent residence and, as indicated, does not involve any restrictions on settlement location. As Table 1.29 shows, the main destination is Victoria with many living in Melbourne.

What is the Skill - STNI visa subclass 137 delivering?

Figure 1.8: Number of visas approved, visa subclass 137, 2000-01 to 2004-05

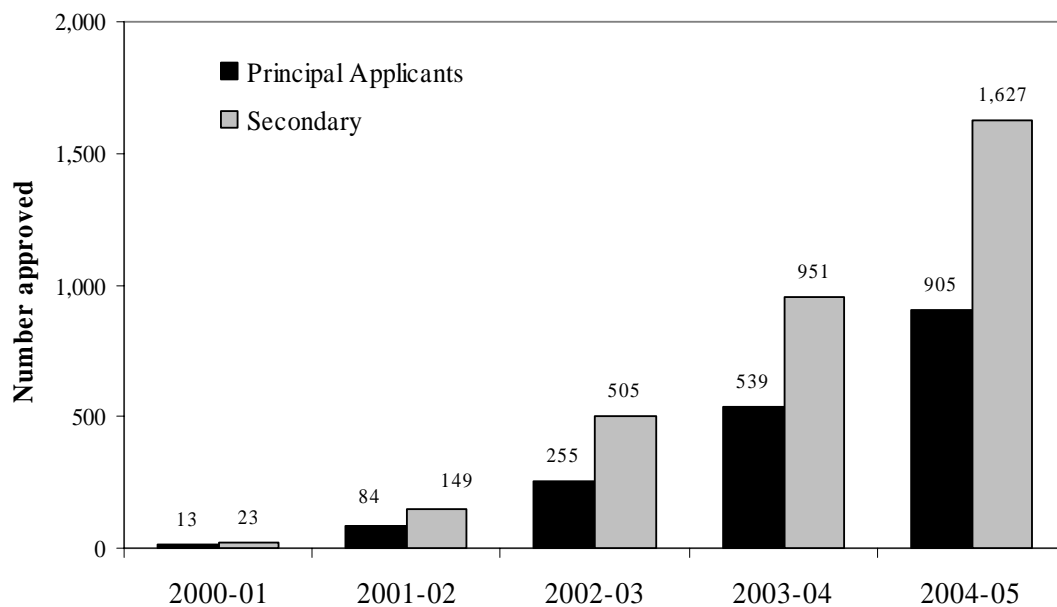


Figure 1.9: Age of Principal Applicants approved under visa subclass 137

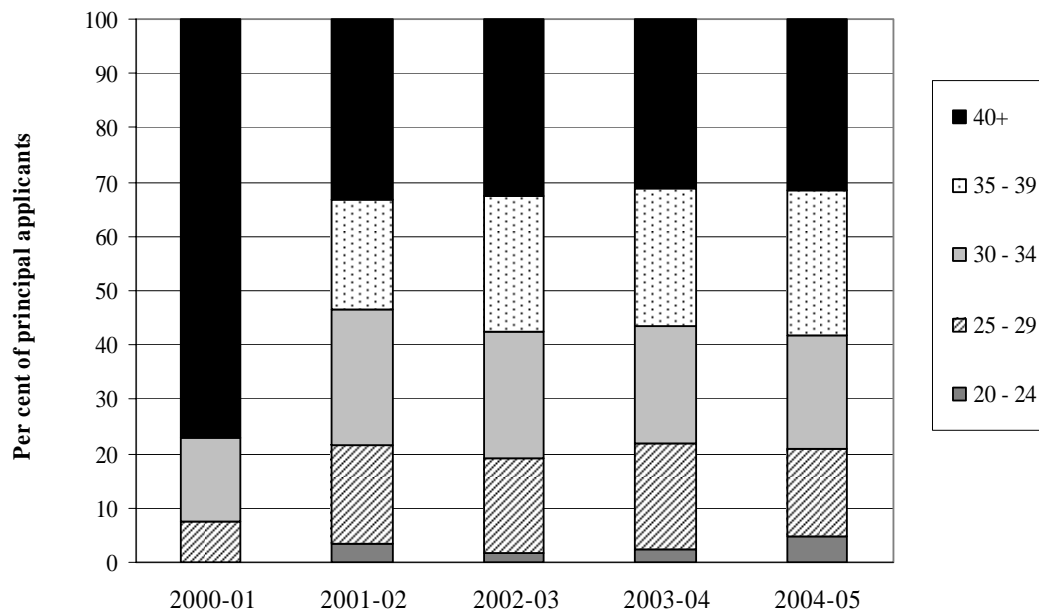


Table 1.26: Occupations of Principal Applicants approved under visa subclass 137, visas granted 2000-01 to 2004-05

MODL and Occupation	2000-01	2001-02	2002-03	2003-04	2004-05
1112 General Managers			2	1	2
1224 Information Technology			3	6	3
Rest of Managers			2	5	7
1 Managers & Administrators			7	12	12
2115 Medical Scientists		1	2	5	4
Rest of Natural & Physical Sci Profs				4	11
2124 Civil Engineers			1	9	35
2125 Electrical & Electronics Engrs			6	22	40
2126 Mechanical Prodn & Plant Engrs				5	46
2128 Engineering Technologists			1		16
Rest of Building & Engineering Profs		1	3	8	21
* 2211 Accountants	2	9	22	63	17
2231 Computing Professionals	2	26	51	69	45
Rest of Business & Information Profs		1	1		4
* 231 Medical Practitioners					1
* 2323 Registered Nurses	1	5	17	25	48
* 2324 Registered Midwives			4	5	4
* 2325 Registered Mental Health Nurses		1	1	3	5
* 2382 Pharmacists		1	2	8	7
* 2383 Occupational Therapists				2	
* 2385 Physiotherapists		1		4	1
* 2391 Medical Imaging Professionals		1	1	2	2
Rest of Health Professionals		1	1	1	3
2412 Primary School Teachers		1			5
2413 Secondary School Teachers		4	7	18	25
Rest of Education Professionals					7
2522 Economists			1		1
Rest of Professionals			4	7	28
2 Professionals total	5	53	125	260	376
312 Building & Engineering Assoc Prof	1	1			6
321 Finance Associate Professionals			2	3	
* 3322 Chefs	2	6	4	11	13
Rest of Associate Professionals				1	
3 Associate Professionals	3	7	6	15	19
* 4112 Metal Fitters & Machinists		4	17	39	71
* 4113 Toolmakers			18	46	93
* 4122 Structl Steel & Welding Trades		1	6	11	14
* 4124 Sheetmetal Tradespersons				4	4
* 4211 Motor Mechanics	3	3	14	30	45
* 4212 Automotive Electricians		1	1	3	7
* 4213 Panel Beaters			1	3	8
* 4214 Vehicle Painters		1		4	7
4311 Electricians			13	30	66
* 4312 Refrigeration & Aircon	1	2	5	12	13
4411 Carpentry & Joinery		1	7	12	44
4431 Plumbers			1	1	30
* 4512 Bakers & Pastrycooks			1	2	7
4513 Cooks		2	6	3	4
* 4931 Hairdressers			6	13	19
* 4942 Upholsterers & Bedding Trades	1	1		3	3
Rest of Tradespersons		8	21	36	63
4 Tradespersons total	5	24	117	252	498
Total Principal Applicants	13	84	255	539	905

* Occupation or sub-component of occupation was on the MODL as of 8 September 2004. Both Chefs and Hairdressers expected to have relevant trade level or higher qualification and at least 3 years relevant experience following the completion of that formal qualification to qualify for MODL.

Table 1.27: Language background of Principal Applicants approved under visa subclass 137

	2000-01	2001-02	2002-03	2003-04	2004-05	2000-01	2001-02	2002-03	2003-04	2004-05
	Number of Principal Applicants					Per cent of Principal Applicants				
Main English-speaking*	7	47	153	255	435	54	56	60	47	48
Non English-speaking	6	37	102	284	469	46	44	40	53	52
Total	13	84	255	539	905	100	100	100	100	100

* Main English-speaking background countries are the United Kingdom, Irish Republic, United States of America, Canada and South Africa

Table 1.28: Country of citizenship of Professionals and Tradespersons, Principal Applicants approved under visa subclass 137

Major Occupation	Selected regions	2000-01	2001-02	2002-03	2003-04	2004-05
Professionals	UK & Ireland	1	18	42	67	113
	South Africa		6	16	20	16
	USA & Canada			2	8	7
	China			4	10	19
	Rest of NE Asia		1	5	7	13
	India	1	15	23	59	72
	Rest of Sth & Central Asia		1	6	20	19
	SE Asia	2	4	7	25	48
	Rest	1	8	20	44	69
Professionals Total		5	53	125	260	376
Tradespersons & Related Workers	UK & Ireland	4	14	70	117	266
	South Africa	1	6	14	34	22
	India		1	20	65	142
	Rest of Asia		1	4	12	33
	Rest		2	9	24	35
Tradespersons & Related Workers Total		5	24	117	252	498

Table 1.29: State of residence of Principal Applicants visaed under subclass 137 State/Territory - Nominated Independent

Residence	Per cent of Principal Applicants								Total
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05 (11 mths)	
SYDNEY			20	7	4	2	2	0	2
NSW total		14	20	7	6	5	3	3	4
MELBOURNE	20			20	37	23	14	10	15
VIC total	20			20	61	54	44	45	46
BRISBANE							1	0	0
QLD total					1	1	3	1	2
ADELAIDE				13	8	11	8	5	7
SA total				13	10	20	22	25	22
WA total					1	2	1	1	1
TAS total							1	1	1
Not stated other	80	86	80	53	20	17	25	20	23
Total	100	100	100	100	100	100	99	97	98
Total number	5	7	5	15	93	161	555	678	1,519

Table does not display locations where less than 0.5% of settlers live but their numbers are included in the total.

The total for each State includes those living outside the capital city as well as those whose location within the State is unknown.

Source: Settlement Database

Issues arising from above

The numbers visaed under the 137 subclass are increasing sharply (though from a low base). The visa subclass is potentially open-ended because it allows participating States to sponsor as many persons as they wish (subject to the constraints of the job shortage list that each State itself constructs).

Currently, as Table 1.26 shows, the range of occupations being selected is relatively diverse and focused on professional and trade fields where concern has been expressed about shortages. In 2004-05 more than half the PAs visaed were tradespersons.

There are two issues of concern about the STNI visa. The first is that this visa subclass is likely to impact on the prospects for greater regional dispersal of migrants. The SIR (discussed below) was instituted in mid-2004 for this purpose. Like the STNI, the SIR visa requires State sponsorship for persons whose occupations are in short supply, though in the case of the SIR visa the shortages have to be in regional areas. The problem, from the point of view of attracting migrants to regional areas is that the STNI is a statewide visa which offers immediate permanent residence. Thus it is hard to see why prospective migrants would be attracted the provisional SIR visa (detailed below).

The second issue is that some states have a commitment to utilizing the SSRM visas for the purpose of reaching demographic goals. To the extent that is the case, they may be tempted to sponsor large numbers of migrants, some of whom may have difficulty finding employment.

The record at present is good, as indicated in the range of occupations of PAs shown in Table 1.26. As noted above, this shows that more than half are traditional tradespersons, including substantial numbers of metal workers, motor mechanics and electricians. Partly as a consequence of the occupational breakdown, PAs under this visa subclass show an excellent employment record in Australia (see Chapter Two). For this reason the Panel simply wishes to flag the need for close monitoring of the STNI visa outcomes, but makes no further recommendations for revision on the rules governing this visa subclass, except those related to increasing the threshold level for English (see Chapter 5).

Skilled Independent Regional (Provisional) (subclass 495)

Purpose

This visa category has two objectives. One is to encourage former overseas students to locate in a regional area on completion of their studies in Australia. The other is to encourage (offshore and onshore) applicants who have applied for the Skilled - Independent subclass 136 but who can only achieve 110 points (rather than the 120 required) to locate in a regional area.

The labour-market implications of this visa category will vary according to whether it is primarily an onshore (student-based) program or an offshore program. In the first year of operation (2004-05), 87 visas were issued onshore and 535 offshore.

Assessment method in place to achieve stated purpose

Applicants are required to undergo the points test, including meeting all threshold requirements. They also need sponsorship from a participating State government. Currently most states are participating. Prospective migrants must possess an occupation identified as in short supply in a regional location. States are in the early phase of developing the procedures necessary to compile the relevant occupation list.

The SIR visa is a two-stage visa, the first stage of which involves a temporary-resident visa where the applicant must first live and work in regional Australia or a low population growth metropolitan area for at least two year and work full-time for at least one year. They can then apply for a permanent-resident visa through a range of existing permanent State and regionally specific visas. As will be evident, these are rather onerous conditions relative to the STNI visa which delivers immediate permanent residence without any restrictions on settlement location.

Extent and type of concessions

Overseas students applying within Australia

The encouragement for overseas students derives from a passmark set at 110 rather than 120 for students applying under the 880 visa subclass. Also, applicants with 50 and 40-point occupations may apply, whereas for the 880 visa only those with 60-point occupations are eligible.

Offshore applicants

Applicants for the Skilled Independent subclass 136 who fail to achieve the 120 passmark but with 110 points may be invited by the Australia Government to apply for the SIR visa. Other migrants may apply direct for the SIR visa.

In addition, from 1 July 2005, applicants sponsored by a State or Territory Government only need achieve another 100 points to be eligible, because such sponsorship confers an additional ten points. With the extra ten points gained from State/Territory sponsorship, an applicant under visa subclass 495 has a 20 point advantage relative to applicants under visa subclasses 136 and 880. Notwithstanding this concession, the SIR visa remains a much tougher proposition than the STNI visa. If the SIR visa is to work, the STNI visa requirements may have to be tightened. As long as prospective migrants can gain State nomination and settle in a metropolitan area, they are unlikely to seriously consider the regional option.

What is the Skill - SIR visa subclass 495 delivering?

In 2004-05, the first year of operation of the SIR visa, 622 PAs were granted visas. As a group, they tended to be older than those visaed under subclass 136, although nine per cent were aged 20-24. Another 23 per cent were aged 25-29, 25 per cent 30-34, 29 per cent 35-39 and the remaining 14 per cent were older again. They were accompanied by 818 Secondary Applicants.

Table 1.30: Occupations of Principal Applicants approved under visa subclass 495, visas granted 2000-01 to 2004-05

MODL and Occupation	2004-05
1112 General Managers	9
1224 Information Technology Managers	10
Rest of Managers	14
1 Managers & Administrators	33
2115 Medical Scientists	4
Rest of Natural & Physical Sci Profs	12
2121 Architects & Lscape Architects	7
2124 Civil Engineers	3
2126 Mechanical Prodn & Plant Engrs	2
2128 Engineering Technologists	14
Rest of Building & Engineering Profs	21
* 2211 Accountants	31
2221 Marketing & Advertising Profs	36
2231 Computing Professionals	127
2294 Business & Organisation Analysts	21
Rest of Business & Information Profs	55
* 2382 Pharmacists	1
* 2383 Occupational Therapists	1
Rest of Health Professionals	3
2412 Primary School Teachers	17
2413 Secondary School Teachers	14
Rest of Education Professionals	5
2522 Economists	14
2529 Other Social Professionals	15
Rest of Professionals	33
2 Professionals total	436
Associate Professionals total	15
* 4112 Metal Fitters & Machinists	7
* 4113 Toolmakers	3
* 4122 Structl Steel & Welding Trades	2
4311 Electricians	10
* 4312 Refrigeration & Aircon Mechanics	1
4411 Carpentry & Joinery Tradespersons	8
4431 Plumbers	3
* 4512 Bakers & Pastrycooks	3
4513 Cooks	18
* 4931 Hairdressers	1
Rest of Tradespersons	77
Tradespersons total	133
Other including unknown	138
Total Principal Applicants	622

* Occupation or sub-component of occupation was on the MODL as of 8 September 2004

Table 1.31: Country of citizenship and language background of Principal Applicants approved under visa subclass 495

By country and region	2004-05
Oceania	11
United Kingdom & Ireland	153
Germany, Federal Rep. Of	11
Rest of NW Europe	19
S & E Europe	23
Nth Africa & Middle East	15
Malaysia	18
Philippines	13
Singapore	23
Rest of Sth East Asia	18
China, Peoples Republic of	93
Japan	11
Korea, Republic of	16
Rest of North-East Asia	13
India	102
Rest of Sthn & Central Asia	35
Canada & USA	8
Rest of Americas	17
South Africa, Republic of	15
Rest of Africa	8
By language background	
Main English-speaking*	176
Non English-speaking	446
Total	622
Per cent of Principal Applicants	
Main English-speaking*	28
Non English-speaking	72
Total	100

* Main English-speaking background countries are the United Kingdom, Irish Republic, United States of America, Canada and South Africa

Table 1.32: Country of Citizenship of Professionals and Tradespersons, Principal Applicants approved under visa subclass 495

Major Occupation	Selected regions	2004-05
Professionals	UK & Ireland	73
	South Africa	12
	USA & Canada	3
	China	79
	Rest of NE Asia	31
	India	73
	Rest of Sth & Central Asia	28
	SE Asia	62
	Rest	75
	Professionals Total	
Tradespersons & Related Workers	UK & Ireland	69
	South Africa	1
	USA & Canada	3
	India	22
	Rest of Asia	19
	Rest	19
Tradespersons & Related Workers Total		133

Table 1.33: State of residence of Principal Applicants visaed under subclass 495 Skilled - Independent Regional (Provisional) by year of arrival

Residence	Per cent of Principal Applicants		
	Pre 2004-05	2004-05 (11 mths)	Total
SYDNEY	11	4	9
NSW total	12	5	9
MELBOURNE	4	3	3
VIC total	4	3	4
BRISBANE	0	2	1
QLD total	2	3	2
ADELAIDE	16	11	14
SA total	16	12	15
PERTH	1	0	1
WA total	1	0	1
HOBART	2	0	1
TAS total	2	0	1
DARWIN	1	1	1
NT total	1	1	1
NOT STATED			
OTHER	61	77	66
Total	100	100	100
Total	241	120	361

Source: Settlement Database

Issues

Occupational focus

For the offshore group, a diverse range of occupations are eligible. The diversity of these occupations amongst the visas granted in 2004-05 is shown in Table 1.30. It is likely - with the extra ten points concession granted for State sponsorship from mid-2005 - that more business professionals (with 50-point occupations) and associate professionals will access this visa subclass.

The only limitation on eligibility is where a participating State places limits on applicants with particular occupations. Currently the Victorian Government limits the range of occupations according to judgments made by participating regional areas. The Victorian Government also has some general restrictions. For example, as from 1 July 2005, no offshore applicant with a computing professional occupation can apply. However, international ICT students who have studied in Australia are still eligible. The Riverina Regional Development Board, which is one of several designated authorities in NSW with the responsibility to initiate sponsorships, has a similar list of eligible occupations. These are mainly professional and trade occupations.

Because the SIR visa is in the very early stages it is too early to make any judgments about any need for revision. The SIR visa may be attractive to former overseas students who cannot meet the 120 passmark for the 880 visa. The problematic nature of these arrangements lies in whether former overseas students from Asia will be able to find employment in regional areas, especially if their communications skills are limited. At present, overseas students who cannot achieve six on IELTS (competent English) are the most likely to apply for a SIR visa.

In the case of prospective migrants located overseas, those who cannot meet the criteria for the Skill - Independent subclass 136 are likely to seek sponsorship from particular State governments under the STNI category rather than apply for the SIR visa. This is because the STNI visa offers immediate permanent residence and does not require location in a regional area. The outcome will depend on how liberal the State governments are in sponsoring applicants under the STNI umbrella.

Will the sponsored migrants stay in the regions?

After the initial two-year stay on the temporary visa, subclass 495 visa holders can apply for permanent residence. They must do so under one or other of the various Regional and State-specific visa categories. These include the STNI and SDAS visa subclasses, discussed elsewhere. In both these subclasses, Melbourne is an eligible location.

English language capability

Like the other points-tested GSM subclasses, persons who only possess vocational English (Level 5 on the IELTS test) are eligible for selection. This is problematic because, as the Riverina Regional Development Board indicated in its submission to the Panel, regional employers are unlikely to employ a migrant without competent English.

Location of settlers arriving from overseas under the GSM Program

Table 1.34 provides another source of information on the state of intended residence of skilled migrants. It shows the number of settlers arriving in Australia in the years 2000-01 to 2003-04 under the GSM visa subclasses by state of intended residence as supplied on the passenger cards filled in by all persons arriving in Australia from overseas.

Table 1.34: Settlers arriving under General Skilled Migration Program, Principal Applicants only, by year of arrival and state of intended residence, 2000-01 to 2003-04

Visa subclass	Fin. Year	Per cent									Total
		NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total	
INDEPENDENT											
126 Independent	2001	51	19	10	3	16	0	0	1	100	3,855
	2002	46	24	10	4	15	0	0	1	100	1,417
	2003	50	24	8	3	15			1	100	304
	2004	50	20	5	5	20				100	40
	2005	43	38	5	0	14	0	0	0	100	21
136 Skilled – Independent	2001	48	27	10	2	11	0	0	1	100	6,800
	2002	47	26	10	3	13	0	0	1	100	9,190
	2003	45	23	11	3	16	0	0	1	100	10,926
	2004	44	23	13	3	16	0	0	1	100	13,321
	2005	46	24	12	3	15	0	0	1	100	13,268
AUSTRALIAN RELATIVE SPONSORED											
105 Skilled – Australian Linked	2001	44	25	9	3	16	0	0	2	100	1,955
	2002	39	30	12	3	14	0	0	1	100	931
	2003	44	36	5	2	10	0	1	1	100	518
	2004	44	32	9	3	10	0		1	100	210
	2005	59	26	4	1	8	0	0	1	100	91
138 Skilled – Australian Sponsored	2001	60	14	10	1	14	0	1	1	100	590
	2002	58	13	11	1	15	0		1	100	785
	2003	59	9	10	1	20	0		0	100	1,152
	2004	58	8	11	1	22	0	0	0	100	2,217
	2005	58	8	11	1	21	0	0	0	100	2,542
AUSTRALIAN RELATIVE SPONSOR LIVING IN DESIGNATED AREA											
106 Regional Linked	2001	11	66	5	7	9			2	100	44
	2002		82		9	9				100	11
	2003		75			25				100	4
	2004	17	83							100	6
	2005		100							100	1
139 Skilled – Designated Area Sponsored	2001	13	65	6	5	5	2	0	3	100	315
	2002	11	68	4	6	6	1	1	3	100	527
	2003	13	65	7	6	6	1	0	2	100	928
	2004	11	63	10	7	7	0	0	2	100	2,596
	2005	11	60	12	6	7	1	1	2	100	2,426
NOMINATED BY STATE/TERRITORY or EMPLOYER											
134 Skill Matching	2001										
	2002		50	50						100	2
	2003	13	38		50					100	8
	2004	11	50		31	3	6			100	36
	2005	10	41		48	1				100	69
137 Skills – State/Territory – Nominated Independent	2001		60		20				20	100	5
	2002	9	72	1	14	1			1	100	69
	2003	4	63	2	25	5	1			100	146
	2004	8	53	3	31	4	1			100	468
	2005	7	51	3	32	4	3	0	0	100	822
495 Skilled Independent Regional (SIR)	2005	20	16	9	50	3	2	0	1	100	232