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## 3 Operational Issues in Skilled Migration

### 3.1 Skilled Migration Policy and Operational Procedures

Virtually all skilled applicants reaching Australia's points threshold are approved to migrate (subject to health and character requirements). Within this context, GSM policy decisions exercise a profound impact on the scale and type of applications received. Until 1999, for example, international students were ineligible to apply for the program. By 2005 (as we have seen) they represented the largest selected cohort. The allocation of 20 points to the Migration Occupations in Demand List in 2004-05 coincided with an immediate jump from 2,413 MODL applications the previous year to 12,986 (up from 9% to 42% of all GSM applicants, see Table 3.1). The recent expansion of trade occupations on the MODL is having a comparable effect, with 4,035 of all 2004-05 applicants trade-qualified, compared to just 599 in 2003-04 (a sixfold increase). In April 2004 and 2005, the government's increased passmark for offshore and onshore applicants coincided with dramatic short-term drops in GSM applicant demand. The shift in April 2004 to the minimum two year study requirement for international students also depressed numbers over an extended period in 2004-05, given the timelag effect. (See Figure 3.1.)

DIMA operational staff must deal with this volatility - factoring policy, resource, integrity and efficiency objectives into the delivery of defensible and transparent selection procedures (a major challenge). Impressive operational gains have been achieved since 1999, most notably in relation to:

- The introduction of a highly centralised processing system at DIMA's Adelaide Skilled Processing Centre (ASPC), based on the employment of 100 specialist staff;
- Pre-migration screening of Principal Applicants' credential recognition and English language ability (out-sourced to regulatory and language assessment bodies);
- Development of world's best practice measures designed to assure the integrity of the skill migration program (considered in section 3.4); and
- Recent implementation of e-lodgement for GSM categories, aimed at yielding further efficiency gains.

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**Table 3.1: Skill Level of GSM Principal Applicants, 2003-04 Compared to 2004-05**

<b>2004-05</b>	<b>Total GSM Applications</b>	<b>%</b>
Total known	31,038	100%
Total MODL	12,986	42%
Professional	8,742	67%
Associate Professional	209	2%
Trades	4,035	31%
<b>2003-04</b>		
Total known	27,715	100%
Total MODL	2,413	9%
Professional	1,672	69%
Associate Professional	142	6%
Trades	599	25%

Source: Adelaide Skilled Processing Centre, Department of Immigration, Multicultural and Indigenous Affairs, November 2005

Despite these gains the analysis below addresses four operational areas considered by the Panel to warrant further attention, namely:

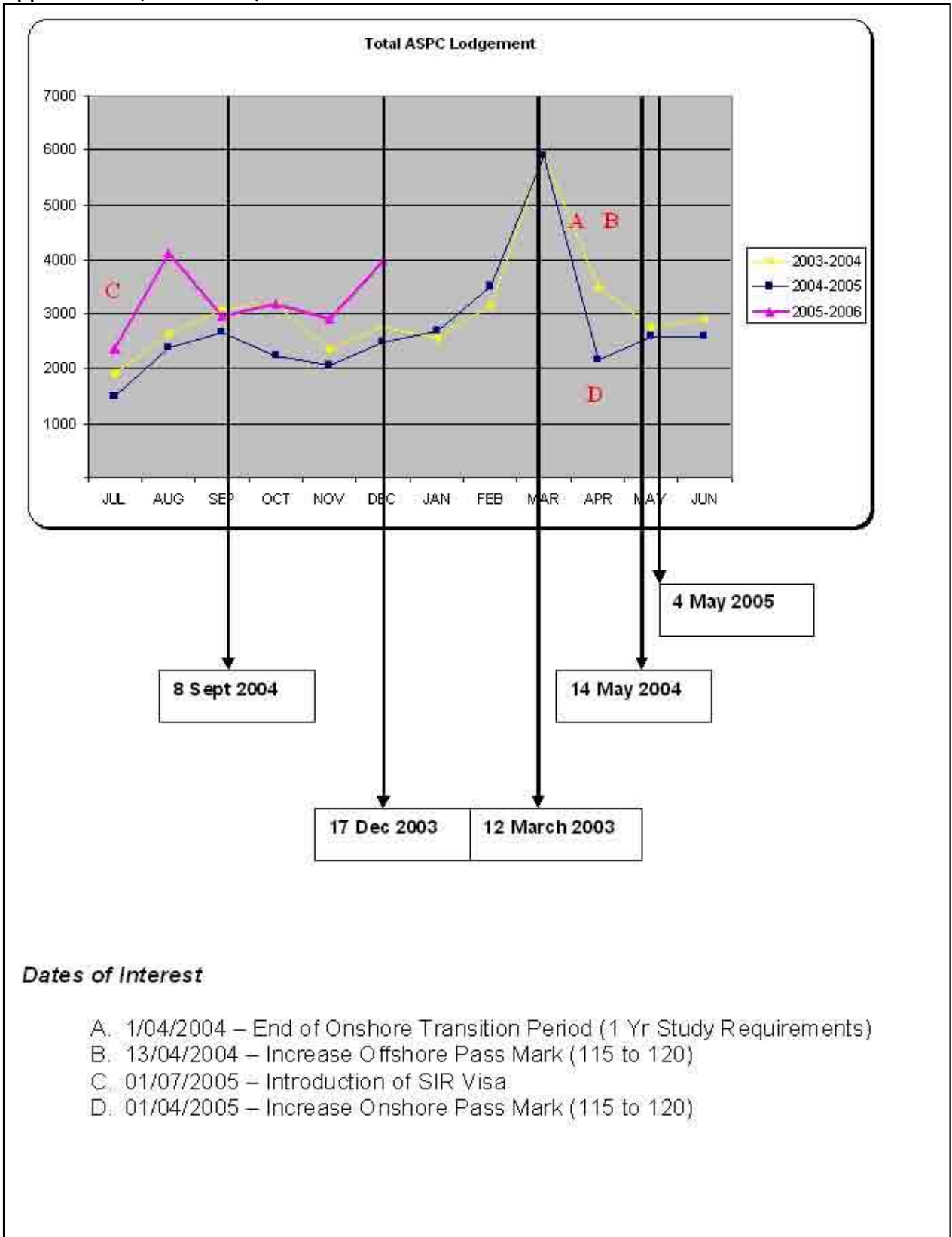
- The calibre of onshore training and work experience;
- English language ability;
- Assessment of offshore training and work experience; and
- Select issues related to occupational field (including assessment of shortages).

The discussion draws on interviews conducted with over 70 Federal and State 'insiders', including senior policymakers and case officers whose work impacts on selection processes<sup>9</sup>. (See Appendix B for a summary of sources.) All were asked to provide frank comment on emerging as well as established issues, with no individuals sourced by agreement. We would like to acknowledge here their time and valued contribution.

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<sup>9</sup> Federal and State bodies in addition to DIMA were consulted, including the Department of Education Science and Training and the Department of Employment and Workplace Relations, given their significant responsibilities in relation to skill migration; State education, employment, regulatory and migration bodies; and representatives of select Australian professional and trade bodies responsible for pre-migration credential assessment and English language issues.

Figure 3.1: The Impact of Skill Migration Policy Changes on Total GSM Applications (1999-2005)



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## 3.2 The Calibre of Onshore Training and Work Experience

### Context

As demonstrated in the preceding chapters, Australia's skilled migration program can no longer be considered in isolation from its export education industry, including the motivation, regulation and practices of providers.

Between 1996 and 2000, 26% of Federal government funding in real terms was removed from the Australian tertiary sector (Lawnham and Illing, 2000). To compensate for this, Australian universities accelerated their transformation from 'academy to global business', expanding their recruitment of international fee-paying students in a process dubbed 'academic capitalism' (Slaughter & Leslie 1997).

The link between international study and migration is longstanding. According to a national survey in the mid-1990s, 78% of students from China were motivated to enrol in Australian courses by an ultimate wish to migrate, compared to 64% of students from Hong Kong, 48% from the Philippines, and 43% from Singapore and Malaysia (Nesdale et al 1995). Following 1989 and the crackdown on students at Tianenman Square, Australia accepted some 37,000 Chinese who had originally arrived as fee-paying students, but ended up securing refugee status (Shu & Hawthorne 1996). In 1999, as we have seen, international students became immediately eligible to migrate, and from July 2001 could be processed within Australia if they applied immediately on course completion. By the start of 2002 such students represented around half of all skilled applicants - a seeming 'win-win' situation leading simultaneously to a 30% surge in demand for Australian tertiary courses. Growth in international student enrolments was led by China (an increase of 77%) followed by Hong Kong, Singapore, the US, Malaysia, Thailand, Japan and Korea (Colebatch 2002). By 2002 150,000 international students were enrolled in Australian university courses: two-thirds in Australia and one-third offshore (IDP Education Australia 2002). Australia had become the fifth most popular global destination after the US, Germany, the UK and France, attracting the world's highest proportion of international students in tertiary education (17.7%), with the fastest rate of growth (IDP 2005; OECD 2004). By 2004 Australian universities were earning an estimated \$1.9 billion of revenue per year from this source, compared to \$791 million in 1999, with six institutions relying on international student flows for more than 20% of their income (Macquarie, UTS, Wollongong, RMIT, Central Queensland and Curtin Universities) (Illing 2006a; 2006b).

In July 2005, 304,035 international students were enrolled across all Australian education sectors, with non-university courses growing fast (Australian Education International 2005, see Table 3.2). China and India were the most important single sources, contributing 71,747 and 24,462 students respectively (19% and 30% growth over the previous year). As demonstrated in Chapter One these flows were migration-driven, with 66% of students from India and 38% from China converting to permanent residence, including 41% of students enrolled in IT courses (Birrell 2005). Their presence had

become critically important to Australian institutions, in a context where there is now less than 1% annual growth (after a decade of double digit figures), with negligible or negative 2005 enrolment trends evident from most other sources (Illing 2006a).

While university enrolments have been the norm, students are reportedly highly responsive to rapidly emerging opportunities in the trades sector. By 2005 143 trades 'or related' fields were listed as 60 point occupations, many associated with relatively modest bodies of knowledge. (See discussion in section 3.5.)

Select aspects of the international student experience were explored in the interviews, to probe potential reasons for the inferior work outcomes many achieve relative to offshore Independent migrants. Despite comparable employment rates in the first six months (82-83%), as demonstrated by Chapter Three, onshore students are characterised by:

- Annual salaries of around \$33,000 (compared to \$52,500 for offshore Independents);
- Average weekly earnings of \$641 (compared to \$1,015);
- Lower job satisfaction, with 44% liking their work (compared to 57%); and
- Far less 'often' use of formal qualifications in current work (46% compared to 63%).

Four issues are examined in turn below, with English treated separately given its degree of importance:

- Governance of the Australian export education sector;
- Tertiary sector issues;
- The proliferation of VET-sector courses; and
- Quality assurance of off-shore Australian courses.

International Student Source Country (All Australian education sectors)	Total Enrolments	Growth 2004- 05
China	71,747	18.9%
India	24,462	29.8%
South Korea	21,990	8.0%
Hong Kong	19,199	-7.2%
Malaysia	18,749	-3.4%
Japan	16,232	-3.0%
Indonesia	14,728	-11.1%
Thailand	13,877	-1.0%
Singapore	9,703	-8.7%
USA	11,291	-1.9%
Other	82,057	5.8%
<b>Total</b>	<b>304,035</b>	<b>6.1%</b>

Source: Adapted from Australian Education International data, 14 September 2005

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## Governance of the Australian Export Education Sector

Australia's Federal and State governments have cultivated public-private education delivery in the past 10 years across all sectors, with international students choosing between university, TAFE, Registered Training Organisation, Foundation, Secondary and English language courses - the first three leading directly to skilled migration.

While informants affirm Australia's commitment to quality provision, including 'world's best practice' in relation to the Education Services for Overseas Students Act (ESOS<sup>10</sup>, developed in 2001 and currently being refined), the potential for compromise in standards related to academic entry, progression and exit was also frequently noted.

Governance of Australia's export education industry is complex. DEST generates education policy and strongly supports the public-private provider mix - considering there to be remarkably few issues 'around the quality of supply of education to whoever wants it', with 'good and bad' occurring in both sectors. DIMA issues student visas, engages with the ESOS process, and later 're-encounters' students as they apply for skilled migration. While the Department learns of problematic education sector issues, it has minimal power to address these. State and Territory governments are other key players in international education - in Victoria (for example) three separate departments dealing with eligibility to enrol international students (the CRICOS code<sup>11</sup>), oversight of course quality assurance by sector, and support for the labour market integration of skilled migrants.

### Tertiary Sector Issues

Australia's onshore student program has been dominated to date by self-regulated universities. The point to note here is the scope for conflict of interest which can impact on graduate employment outcomes, despite many providers maintaining exemplary standards. According to DEST, the National Office of Overseas Skills Recognition has no role in assessing the calibre of international students' prior education - a process left in the hands of providers who may have incentive to:

- Enrol students with inadequate levels of English (see section 2.0);
- Award generous credit for prior study;
- Provide high levels of academic support; and
- Facilitate course progression, despite variable academic performance.

The process of quality assurance is reportedly complicated by the speed of recent developments. Franchising has become possible - for example one prominent regional

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<sup>10</sup> The ESOS Act was independently evaluated in 2004, resulting in a comprehensive set of recommendations designed to convert the existing National Code 'to a set of unambiguous and well-monitored standards' for implementation across Australia.

<sup>11</sup> CRICOS = the Commonwealth Register of Institutions and Courses for Overseas Students. The ESOS Act requires providers of courses to international students to register their institution and courses with DEST, with state education departments required to approve these prior to registration or promotion to overseas students.

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university commissioning a TAFE college in another state to deliver its courses to international 'degree' students. Within a multi-sector education environment, informants concede the scope for international student problems to 'fall between the cracks'. For example poor training may be picked up by employers post-course and post-migration, rather than in advance by the regulatory bodies. There is no 'trigger' to alert if students simultaneously enrol in two 'full time' courses, despite this clearly compromising time allocation to study (a practice which definitely occurs). While in theory courses are based on 'nationally consistent standards' these can be difficult to police, with governance systems struggling to catch up.

### *Level of cultural enclosure*

A second issue with the potential to affect graduate employability relates to onshore students' degree of cultural enclosure. In 1999, when international students became immediately eligible for migration (as stated), DIMA assumed significant acculturation to occur in the process of study, a transition likely to boost immediate employment prospects. The majority of international students however have studied to date in Australia with peers, allowing minimal opportunity for mainstream interaction. Indian students, as stated in Chapter One, have tailored both level and subject choice to maximise GSM points. By 2004 4,224 were enrolled in Masters by coursework degrees (around 25% of all international student enrolments, compared to 918 Indian enrolments in 2001). The majority chose fields such as IT (2,411 compared to 1,331 in 2001), management & commerce (1,560 compared to 446) and engineering (801 compared to 176). Many were concentrated at purpose-designed city 'campuses', where they constituted 50% of the student body or more, most notably at:

- Central Queensland University (920 Indian students);
- Ballarat University (827);
- Victoria University of Technology (463);
- University of Southern Queensland (331); and
- RMIT University (315) (Birrell 2005).

Regional city premises may contain no local students at all - created for and catering exclusively to export education needs, supported by the provision of intensive academic services. While there are reportedly benefits in such a model (in terms of training efficiency and social ease), students' intercultural and communicative skills development may be limited - one of the factors contributing to low English scores (see Table 3.4, plus discussion in relation to English).

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### *Degree of job readiness*

A third issue raised by informants is onshore graduates' degree of 'job readiness' - with this integrally linked to the calibre and speed of their Australian training, as well as their level of commitment to a nominated GSM field. Such concerns are exacerbated where students lack cognate undergraduate degrees (as raised in Chapter One), or have enrolled in the shortest possible Australian course supported by minimal practical training (eg a Masters degree in IT with no Bachelor level studies related to the field - an issue now addressed by the Australian Computer Society through a mandatory period of post-qualification experience; see Kinnaird 2005).

### **The Proliferation of VET-Sector Courses**

Registered Training Organisation courses have reportedly proliferated at a speed that defies comprehensive regulation, often largely or solely motivated by skilled migration. Within this context there maybe considerable variation in the quality assurance and accreditation models used by different sectors: universities and TAFE colleges subject to self-accreditation and peer review, while VET courses are governed by policy formation at the Federal, State and even local levels.

States committed to becoming primary destinations for international students operate in a fast-changing industry - affirming the need for regular two-way consultations with DIMA in relation to policy, English and visa regulation requirements. Informants concede the impossibility of investigating standards for every course, in a context where there may be 1,000 RTOs in a single state (compared to 20 TAFE colleges), with a handful of public servants monitoring performance. Site visits at point of accreditation, and licence renewal checks (after 5 years) are the norm. Intervening checks largely occur if time and resources allow these.

Within such a period, the 'scope' of a college's educational practice may transform - affecting the delivery of a course in a specific discipline. In one notable example (following a change to the MODL) an RTO shifted from training electrical linesmen to training cooks overnight, reportedly with the same staff and students, and lacking a kitchen. (DIMA has since implemented a range of measures to address such abuses, chairing a late 2005 conference with State Government registration bodies and DEST to develop strategies to deal with questionable providers<sup>12</sup>.) DIMA may 'see a hundred international students who graduate on from the same small college on the same day, and it rings alarm bells'.) Doubt was expressed by informants concerning the calibre of select RTO courses - some providers perceived to be 'demonstrating' rather than teaching skills, and in-house experience provided rather than proper industrial training. One noted, 'There are some wily entrepreneurial players, who exist solely to funnel

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<sup>12</sup> From 1 November 2005 overseas students applying for GSM were required to meet the 2 year study rule solely on the basis of enrolment in CRICOS-registered courses. From 1 July 2006 it is intended that DIMA will further tighten the requirement that any qualification gained in Australia whilst the holder of a student visa and used as the basis of a skill assessment must be from a CRICOS-registered course.

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students into skill migration'. According to a senior State government informant concerned with education quality assurance,

*'We're all operating in this self-interest circle and migration is fuelling it... You've got a large number of people whose task is to sell at any price. If an institution is unscrupulous and profit-driven enough it has the potential to do all kinds of things... Audit systems don't pick up a lot and international students are unlikely to complain. The government recognises there is light regulation appraisal, and has a chosen assumption that you're dealing with scrupulous providers.'*

## Quality Assurance of Off-Shore Australian Courses

Quality control mechanisms governing Australian providers offshore were also conceded to be inadequate, in a context where DIMA officers state academic transcripts are not required to define if an 'Australian' qualification is gained on or offshore (eg for Independent offshore applicants based in Hong Kong or Malaysia). Jurisdictional barriers and resource limitations compound QA problems, with definite impact on the appropriacy of training (as described by this senior informant):

*'If universities are operating offshore, in principle AUQA (the Australian university quality assurance body) covers audits. If it's the VET sector, theoretically the Australian Qualifications Training Framework (does), but there is uncertainty around this. A lot of States and Territories are unsure if they can legally operate outside their jurisdictions. There is no real requirement to audit private Australian providers (eg operating in North China). There is also nothing in the State fee structure for courses to cover the expensive and time-consuming offshore auditing process. For example what is the language of instruction offshore? An Australian college may offer a metal scaffolding course in South East Asia. By definition no metal is involved or available - it's all bamboo! But States/Territories may have no jurisdiction or will to send assessors to see what type of training is indeed happening.'*

## Conclusion

As demonstrated above, Australian providers may have significant conflict of interest in relation to international students. Despite quality control measures, an increasing number are dependent for status, financial viability and (in select cases) survival on international student fees, with students in turn strongly motivated to qualify for skilled migration. Such dependence has the potential to compromise academic standards in relation to entry, exit and performance, which in turn may impact on perceived levels of work readiness in the early post-migration period.

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While aware of these issues, it is clear DIMA has minimal operational control of education processes. Within this context the Panel considers substantial numbers of international students would benefit from undertaking significant periods of training and/or industrial experience following completion of onshore courses, *prior* to applying for skilled migration. In the process many would overcome 'deficits' relative to offshore Independent applicants in the eyes of employers.

Models already exist in the tertiary and TAFE sectors. Australia pioneered the development of labour market bridging programs for recently arrived skilled migrants in the 1980s and 1990s, including field-specific courses designed to address specific employment barriers. In the field of engineering, for example, 10 models existed by 1994, the focus ranging from computer languages for select fields, to intensive training in local regulations, examination preparation, specialist engineering terminology, extended industrial experience (etc). Comparable initiatives have developed in the nursing, accounting, medical and IT professions, and select trades (Hawthorne 1994; 2005). Extended periods of stay would also assist onshore applicants if necessary in both English language and acculturation development. As demonstrated by Chapter Four, a growing number of countries are exploring the value of extended 'two-stage migration'.

### 3.3 English Language Ability

#### Context

The impact of poor English language skills on skilled migrants can hardly be over-estimated. As early as 1985, low English was demonstrated to triple the unemployment risk for males, while doubling it for females, a disadvantage confirmed by all subsequent studies (eg Chiswick & Miller 1992; Wooden & Robertson 1989; Richardson & Ilseley 2001; Hawthorne 1997, 2005). By 1989 limited English was considered to represent 'an awesome and devastating barrier' for migrants at every stage of the employment life cycle in Australia (Office of Multicultural Affairs, 1989: 39). Moreover research demonstrated that as education level increased 'the labour market position of immigrants vis a vis the Australian-born systematically deteriorate(d)' (Wooden 1994: 230). Comparable trends are evident in other immigrant-receiving countries such as Canada, demonstrating that 'the higher... an immigrant's official language capability, the greater the employment and earnings opportunities', with host country language ability 'the 'particular form of human capital that seems to matter most' (Thompson & Worswick 2004; Hiebert 2006 in the current volume).

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From 1989 there was growing demand in Australia for the introduction of pre-migration English language screening - a process commencing in the medical and nursing fields, and extending from 1993 to 1996 to over 100 'Occupations Requiring English'. As early as 1983 the first major Australian report on skilled migrants had highlighted a need to conduct detailed language audits in key professions, to determine not merely the level but type of specialist English competence required for employment. In that report's view,

*There is no kindness for anyone involved (migrants, their future clients... employers, training institutions, etc.) in lowering standards (eg by ignoring realistic requirements for English proficiency and cultural understanding)... The solution is to make realistic requirements, to judge them validly and reliably, and to provide the means by which those requirements can be met (Committee of Inquiry on the Recognition of Overseas Qualifications 1983: 105-6).*

In 1988 the Committee to Advise on Australia's Immigration Policies addressed English language ability in the context of points allocation the following way:

*English should not be a make or break factor when there are other factors on which the applicant scores well enough to get into the (migration applicant) pool. But it must be included in any selection system which recognises the importance of skills... and where there are two applicants who score equally on other factors, English must be decisive... In assessing English proficiency, the level of English required by the immigrant to carry out the duties of his or her occupation in Australia should be the primary consideration (Committee to Advise on Australia's Immigration Policies 1988: 92).*

With the emergence of the knowledge economy, and the vanishing of 'backroom jobs', sophisticated English ability has become even more important. According to a national employer interviewed in relation to migrant engineers,

*Designing something and working on it is not a case of giving a once-off bundle of information... It has to involve constant feedback, and quite often it's easy to see in an interview that (the migrant) is only getting a very small percentage of the conversation. And once an employer perceives that they become very, very frightened... If the employer can't be sure that a person understands what's happening around them, then they are going to have a great deal of difficulty getting a job, even as a draftsman (Hawthorne 1994: 69).*

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Such views were strongly re-affirmed by representatives from the information technology, engineering, medical, nursing, trades and select regional employment sectors in the course of the current review. Within this context, four operational issues are briefly examined in terms of skilled migrants' English language ability - the first two applying to offshore and onshore applicants, the remainder to onshore international students:

- The standard of English required for skilled employment;
- The integrity of English language testing;
- Pre-entry IELTS levels for international students; and
- Test exemptions.

### **The Standard of English Required for Skilled Employment**

Despite the continued strength of UK migration, the majority of skilled applicants to Australia use English as a second language. (See Table 3.3 for the top 10 source countries of GSM applicants from July 2003 to November 2005.) In engineering for instance, according to the latest data from Engineers Australia, around a quarter of July-September 2005 applicants for pre-migration assessment were derived from ESB source countries (255), compared to 78% (930) from more linguistically diverse groups. In 2004-05 the Australian Nursing and Midwifery Council (ANMC) received 1,421 GSM nursing applications, up from 969 the previous year. The ANMC currently handles around 2,000 credential assessments per annum - two-thirds derived from onshore and one-third from offshore applicants, from around 40 different source countries (ANMC 2005).

As demonstrated by Chapter Two, relatively poor English language ability is associated with reduced early employment outcomes: 'the key (overall) distinction' found being 'between (GSM migrants) who speak English very well and those who have a lesser command of the language', resulting in a 30% 'earnings penalty'. In consequence, that chapter concluded, 'in most dimensions of labour market success, the key is to have a level of English competence that enables the respondent to report that they speak English at least 'very well''.

Within the fast-changing knowledge economy, DIMA's specification of IELTS Band 5.0 as the threshold required for GSM applicants is problematic. IELTS Band 5.0 falls well short of current Australian employer requirements - a level defined as 'Modest' by the British Council rather than 'Vocational' (the term utilised by DIMA):

*'Has partial command of the language, coping with overall meaning in most situations, though is likely to make many mistakes. Should be able to handle basic communication in own field.'*

**Table 3.3: Top 10 Countries of Citizenship for GSM Applicants, 2003-04 to 2005-06 (Year to Date)**

<b>2003-04</b>	<b>No.</b>	<b>%</b>	<b>2004-05</b>	<b>No.</b>	<b>%</b>	<b>2005-06 July-Nov</b>	<b>No.</b>	<b>%</b>
India	7,103	19	UK	5,959	18	India	2,363	19
China	5,506	15	India	5,145	15	China	2,258	18
UK	4,698	13	China	4,338	13	UK	2,071	16
Malaysia	2,029	6	Malaysia	1,947	6	Malaysia	536	4
Indonesia	1,990	5	Indonesia	1,525	5	Philippines	431	3
Singapore	1,490	4	Hong Kong	1,439	4	Indonesia	430	3
Hong Kong	1,199	3	Singapore	1,242	4	Hong Kong	404	3
Korea	1,033	3	Sri Lanka	1,028	3	Korea	391	3
Sri Lanka	925	3	Philippines	986	3	Sri Lanka	331	3
Philippines	919	3	Korea	856	3	Singapore	291	2

Source: Adelaide Skilled Processing Centre, supplied December 2005

In terms of performance, a migrant with IELTS Band 5.0 would generally speak hesitantly and often inaccurately at interview, with multiple grammatical errors in a written report - limitations likely to be viewed as inadequate for skilled employment. Engineers Australia now defines IELTS 6.0 as its minimum requirement for sub-professionals as well as engineers. A recent IT paper stated 'The English language skills actually required for ICT professional work may well be closer to the Band 7.0 IELTS of the medical/health professions than to the current (Australian Computer Society) 'default' minimum of Band 5' (Kinnaird 2005: 73). Australia's health professions have mandated IELTS Band 7.0 ('Good User', defined below) as the lowest allowable standard for clinical registration, with no other level considered safe:

*'Has operational command of the language, though with occasional inaccuracies, inappropriacies and misunderstandings in some situations. Generally handles complex language well and understands detailed reasoning.'*

As noted in Chapter Two, high level English also confers a substantial employment benefit on trade-qualified migrants, although there is no evidence to date to allow systematic assessment of trade-specific language requirements.

Within the above context the Panel believes an IELTS score of Band 5.0 to be inadequate for entry to the GSM program, with Band 6.0 a more appropriate threshold requirement. Given that a rating of IELTS 7.0 or above is likely to facilitate immediate migrant employment in most fields, higher English language facility should be rewarded by increased points allocation. New Zealand, for example, lifted the IELTS average required for skilled migrants to 6.5 in 2002, with 6.9 the current average for Principal Applicants (Immigration New Zealand forthcoming).

The Panel notes there is no current evidence to warrant the lower English levels for regional GSM selection currently permissible.

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## The Integrity of English Language Testing

Integrity in language testing is vital to assuring score accuracy, with the bulk of test-taking to date occurring offshore. In relation to this it should be noted that Australia and other immigrant-receiving countries have experienced significant problems related to candidate substitution and security violations in recent years. In China, the world's largest IELTS centre until overtaken by India (87,000 administrations per year in 26 test centres operating at capacity), the following measures have recently been required to address this issue:

- Encrypted online registration (to mask identity information);
- Use of an electronic ID verification system;
- Photo enrolment on the actual test day to minimise substitution;
- Maintenance of an imposter database in Beijing (made available to all test supervisors in order to aid recognition);
- Scanning of candidate photos taken the day of administration against the imposter database and all other photos of candidates;
- Training of Embassy and IELTS staff in facial recognition techniques;
- Provision of public notice on these procedures to all candidates; and
- Appointment of a full-time IELTS Security Manager.

With the global growth of fraud, the Panel strongly endorses such measures as essential to ensure accurate point of entry assessment.

A second operational issue concerns the potential value of offering the revised Test of English as a Foreign Language (TOEFL) test as an alternative to IELTS - an option we understand DIMA to be aware of. IELTS scores are somewhat unstable: a student having a 40% chance of securing a different result on re-testing, based on a .77 published reliability rate for speaking and writing. According to a prominent academic consulted, the latest TOEFL test has a number of advantages relative to IELTS, being:

- Internet based;
- Associated with greater stability of scores (a .9 correlation);
- Simultaneous administration in secure test centres around the world, with greater integrity than IELTS at somewhat lower costs; and
- A capacity to elicit superior information concerning test takers' capacity to communicate in an academic setting.

The Panel considers there to be merit in accepting TOEFL as an alternative approved measure of English language ability to IELTS.

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## Pre-Entry IELTS Levels for International Students

Three additional problems in terms of English specifically affect international students (potentially depressing their immediate employment outcomes).

### *Institutional English language requirements*

Firstly, there is evidence to suggest that many international students enter and exit Australian courses at IELTS levels far below the published guidelines: a practice that 'pipelines' directly to ultimate skilled migration.

As noted in Chapter Two, an indicative DIMA survey<sup>13</sup> conducted in late 2004 found 43% of China students applying for GSM visas had IELTS scores of Band 5.0 when tested on *completion* of their Australian qualifications, with students from Vietnam (36%), Thailand (29%), Taiwan (24%) and Korea (23%) also performing poorly (see Table 3.4),. This score lies well below the defined *entry-level* requirements of virtually all universities, colleges and RTOs, suggesting many vary their selection procedures regardless of published 'minimum' standards. An extraordinary range of language measures may also be deemed allowable - for example one regional university listing a page of language 'alternatives' to IELTS.

While no research exists on the level of compromise occurring across Australia's export education industry, its likely impact on student achievement within target courses would be significant.

### IELTS scores and student visa entry requirements

Secondly, DIMA definition of IELTS scores for visa issue is based on the perceived level of source country *risk*, as well as the language requirements of a target course - a questionable policy, in the view of the Panel, allowing entry levels as low as Band 4.0 or 4.5 for 'low risk' VET-sector students compared to Band 5.5 from countries such as China. Realistically, international students entering Australia with minimal English levels could need 18 months or more of training in order to meet defined tertiary or TAFE entry requirements (a 0.5 band improvement on the IELTS scale often taking 4-6 months). Many however will have been issued ELICOS<sup>14</sup> visas for much shorter periods of time. Some reportedly also complete less than the English training prescribed (the provider being responsible to assure this, with DIMA undertaking no additional monitoring).

According to informants there can be a serious risk of provider compromise here - fee-dependent institutions permitting enrolment by students in courses for which they are inadequately prepared, allowing the persistence of serious English language deficits to GSM migration. ('If the education provider accepts them, DIMA accepts that advice.')

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<sup>13</sup> As explained in Chapter Two this must be regarded as indicative of the situation, since some students were not tested unless requiring 20 English points, and others omitted given the date of their applications.

<sup>14</sup> ELICOS = English Language Intensive Courses for Overseas Students.

**Table 3.4: Language Scores of Former International Students Approved 2004-05 (Sub-Class 880) by Major Country of Origin**

Select Source Country	ESL Points: 0	ESL Points: 15 (IELTS 5)	ESL Points: 20 (IELTS 6)	Total Number Tested
China	0%	43%	56%	2,655
India	0%	5%	94%	2,433
Indonesia	0%	16%	84%	1,408
Malaysia	0%	16%	84%	1,113
Hong Kong	1%	17%	83%	863
Korea	0%	23%	76%	474
Singapore	0%	10%	90%	440
Bangladesh	0%	23%	77%	436
Sri Lanka	0%	10%	90%	360
Japan	0%	18%	82%	248
Taiwan	0%	24%	76%	231
Pakistan	1%	9%	90%	224
Thailand	2%	29%	70%	200
Vietnam	0%	36%	64%	200

Source: Adapted from Table 1.10 in Chapter One, based on DIMA data (unpublished)

### *Visa packaging*

A related problem concerns the trend to visa 'packaging', in order to guarantee the certainty of course access. Substantial numbers of international students are currently awarded combined English and study 'packages' at their point of entry to Australia, based again on unrealistic assumptions of likely IELTS gains. This allows guaranteed progression to courses in a defined period of time, at whatever level of English short ELICOS training has provided (eg 20 weeks).

According to the peak ELICOS body, English Australia, many such students are 'nowhere near the study target levels', yet their enrolment proceeds. In the organisation's view, 'It would be to Australia's benefit to open access (to better English training) for international students at point of entry, and tighten it up at the point of entry to the receiving institution'. Cultural enclosure during studies (as we have seen) may further inhibit such students' development of fluency. The recent approval of a 16 month accelerated Masters by DIMA is likely to compound such problems: no standard definition of summer semesters reportedly yet supplied, allowing a further reduction in the length of Australian training.

### **Test Exemptions**

Given the difficulty of DIMA influencing access to courses, the Panel believes it is essential to test *all* onshore applicants at the point of application for skilled migration, regardless of their completion of Australian courses or other claimed exemptions (unless native speakers of English). The provision of extended ELICOS language visas prior to study commencement also merits consideration.

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## Conclusion

Overall, the Panel concludes there are multiple reasons why the inferior early employment outcomes secured by onshore applicants may reflect inadequate English language levels. These should be addressed by:

- Mandating a GSM threshold score of IELTS Band 6.0 rather than 5.0 at the point of assessment for skilled migration;
- Awarding higher points for possession of advanced English language ability (IELTS 7.0 or above);
- Exempting only native English speakers from externally validated assessment at the point of transition to skilled migration; and
- Ensuring all GSM applicants have completed a minimum of two years study in Australia.

In the case of trades applicants, a threshold score of IELTS Band 5.5 is recommended, subject to commissioned research to verify the actual employment level of English required (likely to vary by trade field, as recognised in the 1993 list of Occupations Requiring English<sup>15</sup>).

### 3.4. Assessment of Offshore Training and Work Experience

As noted at the start of the current chapter, DIMA outsources GSM qualifications assessment to 27 approved regulatory and professional bodies (oversighted by DEST), with Trades Recognition Australia covering 180 VET-sector occupations - the rationale being these bodies' legal control of the recognition process (Hawthorne 2005). Given a separate Federal Government review has recently examined this process, minimal operational comment is provided on assessment here. It is worth noting however that high levels of immediate recognition occur in select fields (for example 73% of engineering and 60-70% of all trade applicants). The scale of applications is also strongly influenced by GSM policy. (See Figure 3.2 for engineering applications 2000-2005, compared to overall GSM trends [Figure 3.1].) Lower recognition levels however prevail in many occupations, reflecting differential levels of training, limits to the Australian research base, and/or serious barriers to securing adequate data. In operational terms, DIMA officers are required to use assessment advice by the regulatory bodies in order to determine baseline eligibility for skilled migration. Following this the Department is required to assess the status of subsequent work experience - a frequently challenging process offshore, and one requiring rigorous integrity procedures.

Brief examples of the problems inherent in credential assessment are provided first, to demonstrate the barriers this can impose on proceeding with skilled migration.

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<sup>15</sup> In 1993 'public safety trades' (such as electrician) were defined as requiring testing on the same basis as the majority of professions.

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## Assessing the Calibre of Offshore Courses

### *Nursing*

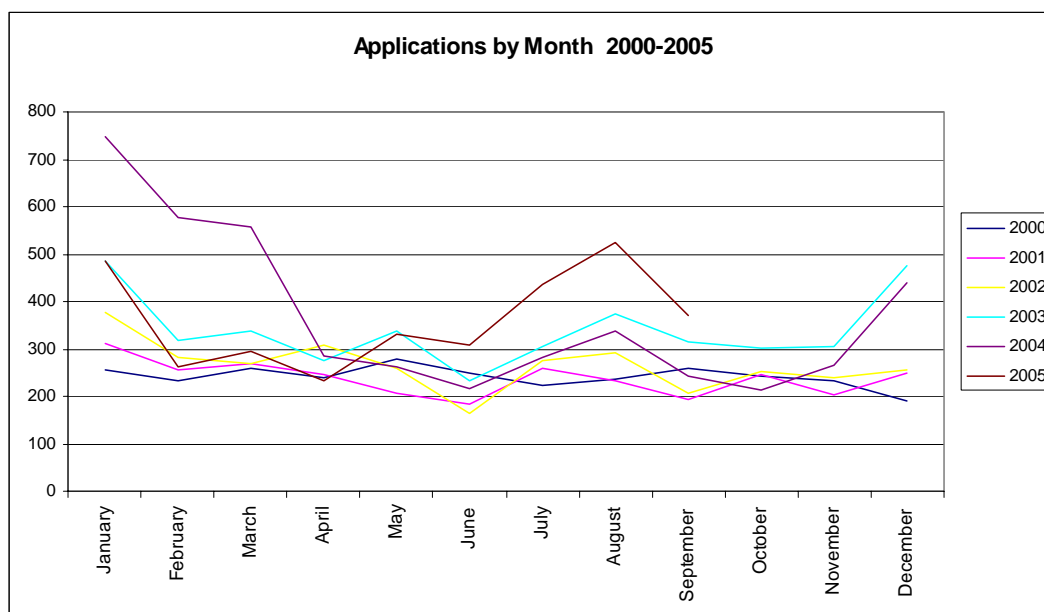
The Australian Nursing and Midwifery Council commissioned a detailed recent report to facilitate the assessment of nursing qualifications from the Former Yugoslavia Republic (the source of substantial numbers of overseas-qualified nurses in the 1990s). Taking here just one of these new geopolitical nations, as an example,

- The research process required correspondence and documentation in six languages, across 13 states within the newly constructed nation.
- Wholesale systemic change was found to have occurred from the commencement of war in 1991, through to the current period when the country is being educationally influenced by the European Union.
- The nurse education system, it is clear, has been profoundly influenced in the past 20 year period by war, partition and urgent health service shortages - in some periods leading to an 'abbreviation' of study, followed by a reversion to training norms in peace.
- Despite the ANMC's best efforts, peak nursing bodies have been difficult to locate, with attempts to secure information eliciting minimal or no response.
- A further complication concerns the division between 'elite' and baseline nurse training institutions (both accorded Registered Nurse status in the past), as well as the relative calibre of university compared to college and hospital RN training.
- Within such a context it may prove impossible to secure specific detail concerning curricula, clinical training, subjects, level of supervision, or expertise at specific points in time (essential in order to assess the registerability of individual nurses). Lacking such data, competency-based assessment in Australia is considered to remain essential (ANMC 2005).

### *Medicine*

Methodological barriers such as these affect many other fields, including those closely associated with public safety. In medicine, for instance, the latest available data show courses to have proliferated globally in the past 30 years, principally in Asia (India, China and the Philippines) and Africa. 1,981 such schools were listed by the International Medical Education Directory by March 2005 across 170 nations. Minimal information however is available to date concerning the calibre of curricula, clinical training, student selection, or the length of training across many Asian and African courses (Boulet et al 2005). Within this context the Australian Medical Council has committed significant resources to refining the examination process, including preparing the Multiple Choice Examination to be administered offshore, based on a pooling with Canada of around 7,000 MCQ test items.

Figure 3.2: The Impact of Skill Migration Changes on Credential Assessment Applications to Engineers Australia, by Month (2000-2005)



### The Calibre of Training in Select MODL Fields

There are clearly excellent research findings associated to date with the MODL. According to Richardson (2005), the LSIA 3 provides strong validation of its selection effectiveness in relation to offshore applicants. Within 6 months of arrival, 71% of skilled PAs with MODL occupations report using their highest qualification 'often' in their Australian job, compared to 51% of other GSM migrants. Substantially higher proportions earn \$962-\$1499 per week (ie relatively good incomes). As demonstrated by LSIA 2, MODL Principal Applicants are also more likely than other skilled migrants to increase their salaries within the first 18 months of settlement (49% compared to 42%).

By definition, however, the positive LSIA 3 employment outcomes linked with the MODL occupations above reflect the fields prevailing in 2002-03 - a period when just 4 trade qualifications were listed (hairdresser, cook, refrigeration & air conditioning mechanic), and the MODL list was profession-based (IT, accountant, hospital pharmacist, retail pharmacist, physiotherapist, registered nurse, midwife, mental health nurse, sonographer, radiation therapist, with IT shortly to be extracted). (See Table 3.7.) Caution should therefore be taken in assuming these LSIA 3 findings will be replicated in the period ahead, in a context where the range of MODL occupations has expanded and transformed.

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## Barriers to Assessing Claimed Offshore Work Experience

While DIMA remains at 'arms length' from the GSM qualification assessment processes, it is directly engaged with checking the value of claimed work experience - an increasingly challenging function in the context of international fraud.

### *The prevalence of fraud*

The Department has made impressive gains in addressing fraud since 1999 (in the Panel's view one of several examples of operational best practice). The Adelaide Skilled Processing Centre handled 10,000 fraud cases in 2005 (many submitted by overseas posts), with skilled occupations accounting for 40% of all referrals. An extraordinary 91% of such cases concerned the calibre of claimed employment (compared to 7% for qualifications), over a quarter related to the trades (28%). The Integrity Branch aims to 'collect and analyse fraud very effectively' - the repatriation of cases allowing for comprehensive data analysis, supplemented by overseas post site checks. The latest computer and research-based strategies are used to 'stay ahead of the game', in a context where 'fraud always moves to the area of least resistance', and the Department's priority is to analyse trends while simplifying case handling.

### *Integrity initiatives and outcomes*

Fraud profiles are regularly established, linked to electronic alerts which are immediately circulated to DIMA processing officers. While it is difficult to conduct checks 'in far-flung places', these are essential to carry out - in China for example leading to the discovery of a bogus 'place of employment', where prompt sheets were stuck to the wall, defining how to give appropriate referee responses to enquiries from Canada versus the USA versus Australia. Specific projects are developed by DIMA to test anecdotal information - for example to assess whether fraud in country X is nationally or provincially based, and fairly address this. Additional research probes the effectiveness of phone checks versus site visits by DIMA post officers, and assesses location-specific fraud trends (most recently in Russia, Africa and the Philippines).

In 2004-05 close to 17,000 fraud 'referrals' were forwarded to overseas posts and onshore offices by the ASPC, 'relating to the General Skilled Migration, Offshore Students, Business visas (457 and 459) and Sponsored Visitor caseloads'. This represented a 38% increase over 2004-04. More than 2,300 cases of fraud were detected, including 1,238 in the GSM caseload - double the level of the previous year, suggesting improved operational effectiveness. An additional 1,111 cases of fraud were detected related to offshore students - China and India levels respectively being 19% and 10%, and the highest overall incidence relating to India, China, Pakistan, the Philippines, and the Middle East. As noted, such fraud may ultimately impact on skilled migration.

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In operational terms Integrity staff define a select trend, analysing the full relevant case-set in order to build an overall picture. Developments by specific occupation, country of origin and other key variables are monitored (including the identity of any agents involved). Some 10% of fraud referrals lead to site visits (rising to 50% in one country), with case officers trained to recognise the impact of changed DIMA regulations on claimed bonus points for experience (including the potential for applicants to 'make a 60 point claim that gets them over the mark'). Reports are electronically 'flashed' throughout the network, with rogue agents referred to the Agent Monitoring Group in Canberra (charged with passing case profiles to all relevant officers).

It is important to note here that DIMA's Integrity staff work on a constructive as well as a negative basis. Best practice is rewarded, for example in relation to migration agents (on whom a comprehensive database now exists). From mid-2004 a new project enlisted agents in China, Thailand, India and Indonesia - all recommended by the relevant post, and willing to commit to a code of ethical practice. Those selected were given a unique 7 digit number, allowing data to be gathered of relevance to monitoring fraud. While 'terminated' if behaving poorly, the majority will be rewarded with priority visa processing (as for 'lower risk' countries) including the future right to e-lodge. This represents a significant commercial and efficiency advantage, with extension of the trial to additional countries about to start.

While the majority of fraud cases and site checks relate to claimed work experience, current offshore operational challenges also reportedly include assessment of:

- The standard of 'informal sector' or industry-based courses - reported to be highly problematic in trade fields such as hairdressing and plastering, whether such applications are derived from the UK or from less typical locations. ('The UK is the backbone of current cases... We have to check plasterers in family businesses, and mobile hairdressers to see if they have a chair, an appointment book etc.')
- The calibre of offshore institutions, including whether these issue the claimed qualifications for GSM applicants. ('The referral process puts the burden back on DIMA to assess in practice actual skills levels.')
- Fraudulent bank statements for students and parents (any problems with documentation for two year Australian courses having the potential to 'contaminate the GSM' application process further down the track).

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## E-lodgement of Applications

From July 2005 the ASPC introduced e-lodgement for onshore GSM applicants. By late 2005 48% of all onshore GSM applications were e-lodged, with this process shortly to be extended offshore. The aims here are improved efficiency and informational gains through a 'virtualisation' of the application process, key elements being as follows:

- *Stage 1* = Declaration that the applicant has met all GSM eligibility criteria, possessing the necessary documentation to support their claim.
- *Stage 2* = Provision of corroborative scanned documentation at time of application.

The efficiency benefits should be significant, including the potential for applications to be lodged at any time on the net (regardless of location or timezone); automatic generation of a document checklist; capacity to track the application's progress online; and near 'immediate grant' for eligible applicants. Additional gains should include improved consistency in decision-making; automatic links with organisations able to provide direct data inputs (eg IELTS scores); the provision of a 'client friendly' system, designed to guide skilled applicants through eligibility requirements and processing needs, assisted by hyperlinks to external data sources and readily available technical support. Further processes will be automated in the future, with 'some low risk visas having autogrant facility'. Most importantly, in terms of defining patterns of work experience fraud, data will be pooled from an ever expanding set of sources for planning as well as research purposes.

## Conclusion

DIMA's highly centralised Adelaide Skilled Processing Centre handles all GSM applications with the exception of 'low risk' student applications, which are dealt with in Perth. Its 'repatriated' model has improved both uniformity and efficiency in terms of processing, based on an unprecedented level of training and information sharing, while freeing overseas post officers to conduct security checks and other locally-based tasks.

The reported efficiency gains have been substantial. In 2004-05 59,711 visas were delivered, 43,079 offshore and 16,632 onshore. Improved numbers of applications have been handled, with a 177% increase in offshore cases and a 185% increase in onshore cases in July 2005, compared to the pro rata average. Fraud detection, particularly related to claimed work experience, has greatly improved. Faster clearance of application backlogs has become the norm, supported since July 2005 by e-lodgement for onshore skill migration applicants. (For example the median processing time for onshore 136 applicants by late 2005 was 4 months, compared to 14 months for the offshore equivalent, where more complex checks are involved.)

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The Panel considers impressive gains to have been made in terms of offshore case handling, in particular through measures designed to improve the integrity, efficiency, and empirical base of the GSM program. These benefits seem certain to be enhanced by the forthcoming extension of e-lodgement to offshore cases. At the same time additional resources will be required to support the posts in their assessment of GSM work experience claims. A number of informants also warn there could be risks in the 'virtualisation' of the application process, in case integrity levels are compromised (eg through scanned documentation fraud). This must be addressed in future operational processes.

### **3.5. Select Issues Related to Occupational Field (Including Shortages)**

#### **The Migration Occupation in Demand List**

As established in Chapter Two, the Migration Occupations in Demand List has unprecedented policy significance in the context of the raised GSM passmark (120 points) and the MODL's 15-20 point allocation. Established in 1999, the MODL was designed to factor labour market demand back into GSM selection, the aim being to target 'occupations or specialisations that are in widespread, persistent and ongoing shortage', in fields 'sufficiently large that increased entry by (skilled migrants) would not lead to surpluses in the Australian labour market'.

The Department of Employment and Workplace Relations was charged with providing expert advice in relation to demand to DIMA, preparing a list to be updated once (now twice) per year. In formulating the MODL, DEWR assesses the scale of Australian labour market demand in occupations with 1500 positions or more, leaving the needs of smaller occupations to be addressed by the Employment Nomination Scheme. Skill levels are expected to be reasonably high, based on degree, diploma or trade qualifications. Supply profiles by field are developed, drawing on labour market surveys, graduate employment outcomes, current and future growth trends (including demographic shifts), variations of employment demand by state, and studies of the ease with which advertised vacancies can be filled (factoring in the source and perceived standard of recent appointees). Key criteria for inclusion of an occupation on the MODL include:

- Evidence of a national demand for an occupation (DEWR's 'skills in demand' research);
- The skill level of the occupation and the existence of an Australian assessment authority;
- Employment size for the occupation;
- The unemployment rate for the occupation; and
- Employment growth in the occupation or persistency of skill shortages.

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Three issues concerning the MODL emerged in the course of the consultations, to be briefly addressed here:

- The risk of developing gluts;
- The calibre of training; and
- The relevance of MODL lists to regional shortages.

### The Risk of Developing Gluts

MODL applicants are guaranteed prioritisation within the GSM selection process - assessed ahead of other applicants regardless of field of qualification (whether bricklayer or accountant), the scale of proven demand (eg doctor versus hairdresser), or the status of provider (Registered Training Organisation, TAFE College or University). In the current policy context moreover, according to a senior DIMA informant, virtually all MODL applicants subject to health and character checks will pass:

*'We do grant visas to anyone and everyone who qualifies for the points test. There is no situation where some applications are never processed or not processed for an inordinate length of time. The median processing time for onshore 136s is 4 months and for offshore 136s it is 14 months. The difference is because of things like character checking which take longer for offshore applicants. We also currently give priority to applicants with a MODL occupation. If we were to introduce another level of prioritisation, what criterion would we use and would it be defensible?'*

From an operational perspective it seems important to question this lack of prioritisation, given Australia's past experience with migration-related gluts (engineering in the early 1990s, and IT in the recent period) (Hawthorne 1994; Australian Computer Society [ACS] 2005; Kinnaird 2005). According to the Australian Computer Society, for example, the GSM had contributed 'around 16,000 people to the ICT workforce as of June 2004', or 10% of the total labour market in a context of minimal local demand. While this reflected onshore student flows (*not* the MODL), the GSM 'tap' took time to turn off, despite evidence in 2002-04 that migration was 'not needed to meet the growth demand for computing professionals', including 'around 50% new graduates' from Australian courses. By definition, the liberal accreditation standards of the ACS itself were a major cause of this problem<sup>16</sup>. So was the onshore education industry, with 14,936 new international IT enrolments by 2004 (57% of the total), compared to 2,410 in 1997 (prior to international students' immediate eligibility for skilled migration (Kinnaird 2005).

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<sup>16</sup> The Australian Computer Society accredited onshore Masters degree graduates as programmers when the majority had no professional knowledge of any programming language, and thus limited attractiveness to local employers

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In the context of the 120 point pass mark, the point to make here is that possession of a MODL occupation is one of the key determinants of permanent residence, in a context where DEWR stops short of *quantifying* national demand by field. The allocation of up to 20 points to MODL occupations, as we have seen, coincided with a rise from 2,413 MODL applications in 2003-04 to 12,986 the following year (primarily from offshore). DEWR currently provides however no estimate of the number of hairdressers required in Australia relative to nurses or accountants – a process with an inherent risk of gluts. Within this context, it is worth noting accounting to date has attracted 25% of GSM applicants for 2005-06, compared to 19% in 2004-05 and 13% in 2003-04 (12,457 people to November 2005). (See Tables 3.5-3.6, and Figures 3.3-3.4.) Substantial numbers of international students are also progressing through onshore accounting courses, many likely to graduate in 1-2 years without the requirement for preliminary work experience now applied to new IT graduates who seek MODL points. (See Chapter One) It will be important to monitor such trends in 2007-08.

Demand could also potentially surge in the trades, given their recent prevalence on the MODL. In 2004-05 the trades constituted 6 of the top 10 offshore application fields (see Table 3.6). According to Trades Recognition Australia, on and offshore VET-sector demand is proliferating at this time, with many applications derived (according to DIMA and TRA officers) from ‘very informal training systems’. Hairdressers, for example, did not feature in the top 10 GSM list in 2003-04. Their numbers rose rapidly to 668 in 2004-05, and 335 from July to November 2005. While these are primarily offshore applicants to date (89% in 2004-05), informants state substantial additional numbers are training as hairdressers onshore. Like the professional bodies, trade associations have limited resources to assess overseas institutions, with TRA building up infrastructure as it handles 14,200 applications per year.

It is important to affirm DIMA and DEWR are confident the recently implemented six monthly monitoring process will prevent the development of any MODL-related labour market gluts. Expanding the range of occupations should also diminish the risk. Given the scale of accounting applications in process however, and the onshore study ‘pipeline’ effect, the Panel believes it is appropriate to remove immediate access to the MODL for onshore applicants. To ensure former students are ‘job-ready’, they should also be given incentive to complete the post-qualification labour market training the Panel has proposed (a process as relevant to trade-qualified applicants as for those in the professions).

Concern was expressed by a range of informants at the quality of some MODL fields now involved - not a criticism of the trades per se (3-4 years training with supervised practice) but inclusion of the 'slighter' technical fields. Three issues were raised in relation to this:

- That the body of knowledge could fall well short of the intended '60 point occupation threshold' (eg in hairdressing and bricklaying);
- That the calibre of offshore and onshore training as well as supervised practice in such fields could be very difficult to assess - sited in the less formal sectors, with minimal data available concerning offshore providers (even in the UK), and the quality of Australian providers sometimes in question; and
- That a number of MODL fields seemed appropriate to reserve for Australian 'Welfare to Work' participants, rather than imported labour.

**Table 3.5: Top 10 Nominated Occupations (Applications) 2003-04 and 2004-05, Total GSM Cases**

<b>Occupation 03-04</b>	<b>Cases</b>	<b>%</b>	<b>Occupation 04-05</b>	<b>Cases</b>	<b>%</b>
Accountant	3,572	13	Accountant	5,974	19
Systems programmer	3,288	12	Systems programmer	3,387	11
Applic/analyst programmer	1,960	7	Applic/analyst programmer	1,551	5
Systems manager	1,000	4	Registered nurse	1,421	5
Registered nurse	969	3	Systems manager	730	2
Cook	735	3	Hairdresser	668	2
Building & eng professional	723	3	Building & eng professional	667	2
Marketing specialist	558	2	Computing professionals	511	2
Business/ info professional	496	2	Cook	507	2
Mechanical engineer	479	2	Business/ info professional	495	2

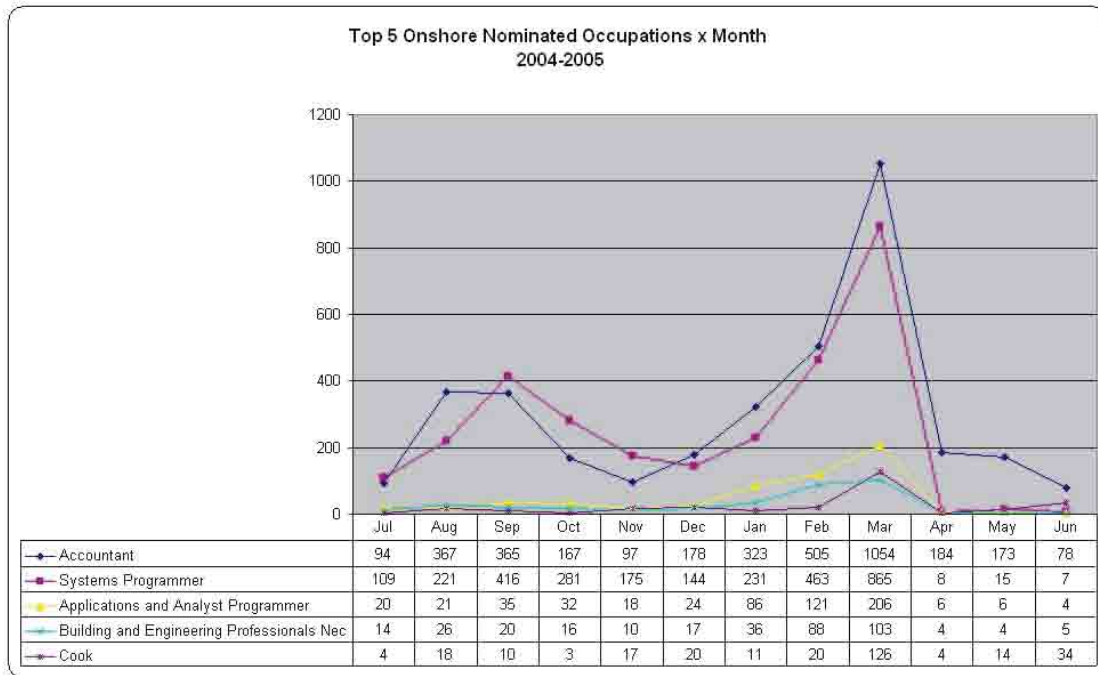
Source: Adelaide Skilled Processing Centre, DIMA, December 2005.

**Table 3.6: Overall Top GSM Nominated Occupations (Applications) in the MODL Offshore (2004-05)**

<b>MODL Nominated Occupations</b>	<b>Cases</b>	<b>%</b>
1. Accountant	2389	28%
2. Registered nurse	1225	14%
3. Hairdresser	597	7%
4. Toolmaker	432	5%
5. Motor Mechanic	359	4%
6. General Electrician	347	4%
7. Fitter	288	3%
8. Civil Engineer	287	3%
9. Metal Machinist (First Class)	247	3%
10. Chef	202	2%

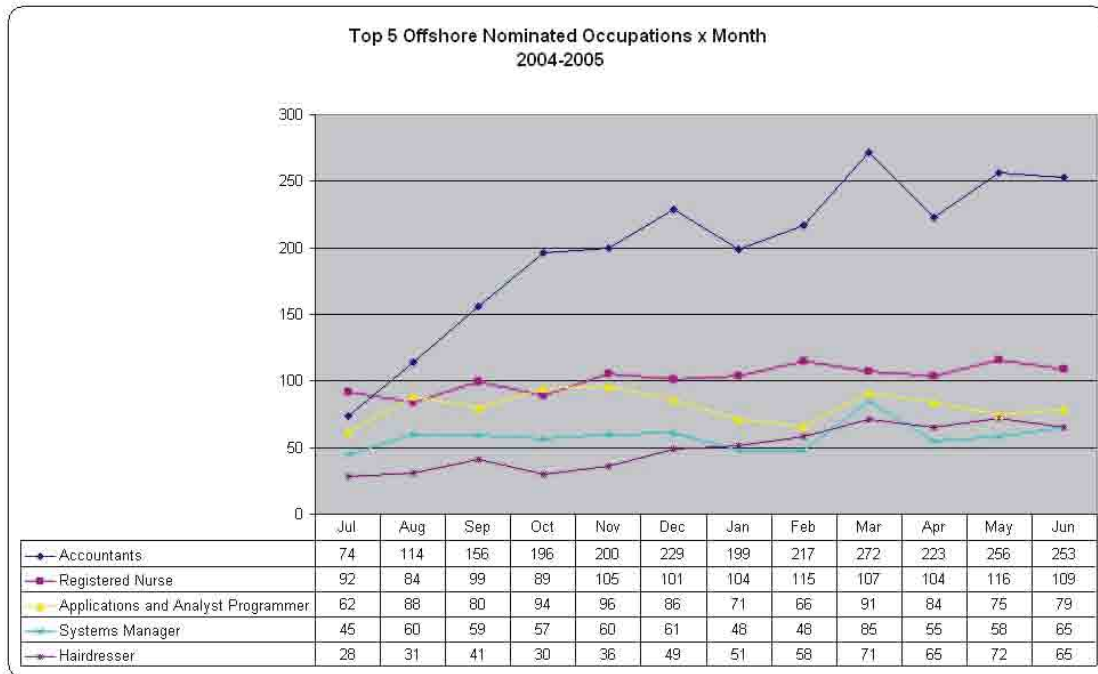
Source: Adelaide Skilled Processing Centre, DIMA, December 2005.

Figure 3.3: Top 5 GSM Onshore Nominated Occupations per Month (Applications), 2004-05



Source: Adelaide Skilled Processing Centre, supplied December 2005

Figure 3.4: Top 5 GSM Offshore Nominated Occupations per Month (Applications), 2004-05



Source: Adelaide Skilled Processing Centre, supplied December 2005

In hairdressing, for example, 2 years training is currently the norm, with competencies likely to include 'maintain a safe clean and efficient work environment', 'schedule and check-out clients', 'sell products and services', 'prepare clients for salon services', 'coordinate salon tasks', 'treat hair and scalp', 'dress (style) hair' (National Training Information System 2006). The following comments were typical of operational officers handling such applications:

*'It would be fine if in future Australian Qualification Framework (AQF) 3 qualifications were not on the MODL list - there should be consistency about what AQF3 qualifications in relation to 60 point occupations on the MODL mean! It takes 6-12 weeks to achieve some competencies on the AQF3, whereas an automotive mechanic needs at least 3 years.'*

*'There's no mechanism in the selection process to stop disproportionate numbers of people applying in a few fields... International students are looking at the entire repertoire of courses on offer and may well choose the cheapest easiest course, with the Registered Training Organisation sector surging.'*

*'International students in Australia may work at lower skill levels than the level typically required in industry - if they flow through to skill migration, will employers value this level of practical training?'*

*'Trades Recognition Australia introduced 900 hours (work experience requirement) to try to ensure proper quality of training - but in essence the 900 hours are being provided through the (same) college in-house training. It's nothing like a proper commercial business in many cases.'*

**Table 3.7: Migration Occupations in Demand List by Select Date (1999-2005)**

<b>Year</b>	<b>Professions</b>	<b>Trades and Vocational Occupations</b>
1999 (June)	IT, Accountancy, Physiotherapist, Registered Nurse, Sonographer	Boilermaker, Machinist, Pastry Cook, Refrigeration & Air Conditioning Mechanic, Welder
2002 (Oct)	IT, Accountant, Hospital Pharmacist, Retail Pharmacist, Physiotherapist, Registered Nurse, Midwife, Mental Health Nurse, Sonographer, Radiation Therapist	Hairdresser, Cook, Refrigeration & Air Conditioning Mechanic
2005 (Nov)	Accountant Civil, Mining, Petroleum, Chemical Engineers General Practitioner, Anaesthetist, Dermatologist, O&G, Ophthalmologist, Emergency, Paediatrician, Pathologist, Psychiatrist, Specialist Physician, Radiologist, Surgeon, Registered Nurse, Midwife, Mental Health Nurse, Dentist, Dental Specialist, Hospital Pharmacist, Retail Pharmacist, Occupational Therapist, Physiotherapist, Speech Therapist, Podiatrist, Radiographer, radiation Therapist, Nuclear Medicine Technologist, Sonographer Computing professionals specialising in CISSP, E-commerce security, network security, SAP and SIEBEL (added by January 2006)	Chefs, Fitter, Metal Machinist, Toolmaker, Metal Fabricator, Welder, Sheetmetal Worker, Motor Mechanic, Automotive Electrician, Panel Beater, Vehicle Painter, General Electrician, Electrician, Refrigeration & Airconditioning Mechanic, Electrical Powerline Tradesperson, General Electronic Instrument Tradesperson, Electronic Equipment Tradesperson, Carpenter & Joiner, Fibrous Plasterer, Bricklayer, Solid Plasterer, General Plumber, Pastrycook, Cook, Cabinetmaker, Hairdresser, Furniture Upholsterer

Source: Adapted from tables prepared by Department of Employment and Workplace Relations (2005)

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Within this context the Panel considers it appropriate for DIMA to review the MODL occupations, including the level of points assigned to fields associated with relatively low bodies of knowledge. Sixty point occupations were intended to be highly skilled, based on completion of extensive training and/or work experience. By December 2005 143 trade or related occupations were defined as 60 point occupations, including bricklayer, floor finisher, general gardener, nursery person, signwriter, leather goods maker (etc). We believe this categorisation should be reassessed, leading to redefinition of a range of fields as 50 point occupations.

### **The Relevance of MODL Lists to Regional Shortages**

A final operational point concerns the appropriacy of applying the MODL list to regional labour market planning, in a context where States and Territories have emerged as keen 'players' in relation to skilled migration, while lacking expert labour market modelling infrastructure.

South Australia, for instance, has established a State population policy designed to 'attract and promote' skilled migration, with the aim of securing its 7.5% 'national share' of skilled migrants (up from 4%), by 2008 totalling 2,800 skilled migrants and 600 business migrants per year (with China and India regarded as core markets). Western Australia has courted skilled migration since 2004, viewing labour market shortages as entrenched rather than cyclical, in a context where 'out of 87 people who come to WA, 80 leave'. The government aims to lift annual labour force growth from 20,000 to 50,000 a year (including 2,500 skilled migrants), with a broad range of skills accepted based on consultation with the regions. Victoria intends to 'increase the uptake of State-specific and Regional Migration initiatives (through) an increased number and greater retention of migrants' per year, adopting 'a whole of government approach to encouraging the settlement of migrants and humanitarian entrants' (Commonwealth-Victoria Working Party on Migration 2004). Like other States it has developed considerable expertise in the past decade: attracting 24% of skilled migrants in 2002-03 (4,146 people) compared to 18% in 1996-97; forming Business Migration, Skill Migration, Overseas Qualification, and International Education Units; sponsoring around 1,000 skilled workers per year; and supporting an increasing range of settlement programs. The State simultaneously aims to remain Australia's 'premium' international student destination.

Within such dynamic contexts States affirm the need for 'viable' information concerning labour market supply. As stated in Chapter Two, a number believe 'they should have a role in identifying local skill shortages because they (have) a better grasp over these circumstances than... the Commonwealth authorities' - a view in line with contemporary developments in Canada, where the national government is moving away from occupational specificity while provincial governments become progressively more involved.

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By definition however the Department of Employment and Workforce Relations brief from DIMA is to research *national* rather than State or Territory-specific demand. According to DEWR, it must be noted that:

- DEWR has no designated role in relation to State or Territory skilled migration schemes to date.
- It cannot endorse the application of the MODL list to regional recruitment, to which its methodology does not apply.
- While it has a capacity to provide labour market advice to DIMA on the composition of such lists, and to advise State and Territory Departments on preferred methodologies, such an extension of its role would need to be sanctioned.

Given the growing participation of States and Territories in regional skilled migration, and the reported risk of inappropriate use of the MODL, the Panel believes it is important for DEWR's brief to be extended. This should assist with reducing the unemployment risks associated with inappropriate location. We further believe it is appropriate for a limited review to be conducted of this and select other issues related to the MODL, including examination of the feasibility of including on the MODL solely those occupations where a persistent shortage would be likely to cause difficulties to firms, or impede the employment of other workers.

### **3.6 Conclusion**

This chapter argues the case for addressing select operational issues related to skilled migration. The next chapter explores the extent to which contemporary Australian policy differs from that prevailing in comparable immigrant-receiving nations, through contrastive analysis of Canadian, New Zealand and United Kingdom case studies.