Evaluation of General Skilled Migration
Department of Immigration and Multicultural and Indigenous Affairs
August, 2005

Purpose

To provide input to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) review of eligibility criteria for skilled migrants to inform consideration of the 2006-07 Migration Program.

Introduction and Key Issues

Given the General Skilled Migration (GSM) objective of strengthening and augmenting the Australian workforce, skilled migration into Australia naturally has strong associations with the skills shortages persisting in Australian industry. Those shortages can only be addressed by increasing the pool of appropriately skilled workers in Australia through one or more of education, training and migration.

Appropriate education and training is complementary to migration in ensuring that Australia has an adequately skilled workforce. In considering the two together when looking at the GSM component of the Migration Program a stronger result for Australia and individuals will result.

Further, the Australian (and global) economy is subject to the challenges of both growing complexity and, closely related, increasing diversity. Our economy has developed over recent decades, diversifying beyond a resources and manufacturing base to embrace services, and increasingly, knowledge industries. The processes that drive this change are still at play and have implications for the capabilities of the workforce that our nation needs. Not only do the skills required by industry change continually but resourceful and responsive individuals are needed to recognise this change and to reinvent themselves and the enterprises for which they work.

Thus, in this paper, we argue for a view of a skilled workforce that goes beyond simply the technical capabilities implicit in attracting "migrants … who have skills in strong demand in the Australian labour market" (Senator the Hon Amanda Vanstone). We also discuss the following connections with education and training which merit consideration in developing a holistic view of the GSM:

• Assessment of short-term vs. medium-term vs. long-term skills shortages,
• Supporting skilled migrants entry into the Australian workforce, and
• Drawing on the skills of locally educated and trained international students

Understanding Skills in Strong Demand

Definition of ‘skills in strong demand’ (and its converse - ‘skills shortages’) is open to interpretation

Skills are often understood to refer to the set of competencies and abilities required by a particular occupation. However they may also refer to more generic capabilities including, for example, working in teams, communicating effectively both in oral and written form, and the ability to acquire new knowledge and competencies and to engage in lifetime learning.

It is important that more short-term demand for specific skills in particular occupations is addressed (by the GSM inter alia). However, with a rapidly evolving economic base, it is also necessary for workers to have the generic skills to adapt to technological change in today’s knowledge economy and ensure both future employment opportunities and continued economic and social contribution.
Assessment of short-term vs. medium-term vs. long-term skills shortages

Whilst we note the government’s Migration Occupations in Demand List (MODL) and the National Industry Skills Initiative (NISI) through which skill shortages are identified and targeted it is important to recognise a number of complexities. We note the following:

- Government, industry and universities sometimes work from disparate and selective data sources, as their aims in examining skills shortages are not always identical.
- In a report prepared by the Department of Education, Science and Training (DEST), the question has been posed as to whether Australia can actually maximise its potential with such high numbers of skilled workers without formal qualifications.
- Industry advice will often have a more short-term business cycle focus compared to the longer-term view that governments and universities take (five to ten years).

Policy initiatives need to take account of both the current labour market approach to skills shortages, as well as the underpinning skills and capabilities needed to support the economy of the future in a rapidly evolving knowledge-based environment. The fact that the arrival of migrants with appropriate skills naturally lags the actual occurrence of a skills shortage (indeed sometimes the market has even corrected itself by the time migrants arrive) is increased reason to emphasise the more generic skills and capabilities.

In terms of the GSM, it is appropriate to consider, and give appropriate weight to, both specific skills to meet short-term labour market requirements and generic skills. These latter skills include an ability to engage in the type of lifetime learning required in the labour market of today, where workers may need to re-skill or enhance their existing skills several times during their working life.

This having been said, a lack of such generic skills should not disproportionately penalise a potential migrant who qualifies on other grounds. The Australian post-compulsory education sector has the capabilities to provide training in these development and integration areas.

RMIT recommends:

1. That government, industry and tertiary institutions collaborate in order to better understand short, medium and long term skills shortages by areas of industry specialisation. This should encompass both current and future shortages in particular occupations or skills, and an assessment of the types of more generic skills required by workers (including migrants) to subsequently adapt to new methods of working and new technology.

2. That research complementary to the Longitudinal Survey of Immigrants to Australia (LSIA) is conducted amongst migrants who have entered Australia through the GSM (or similar programs) to advance our understanding of their contribution to the economy and their long-term success in the Australian labour market. It would be relevant to consider, for example, whether migrants obtained employment in their areas of skill, whether they remained working in those areas, the types of educational programs they accessed after coming to Australia, and their ability to adapt and re-skill if required. The longitudinal timeframes of such research would need to be longer than the eighteen-month separation between waves of the LSIA.

---

1 Department of Employment and Workplace Relations and the National Centre for Vocational Education Research (November 2002); Nature and Causes of Skill Shortages – Reflections from the Commonwealth National Industry Skills Initiative Working Groups, DEST
Supporting skilled migrants entry into the Australian workforce

From the LSIA we know that migrants’ levels of employment only reach that of the general population after around eighteen months in Australia: about a quarter of migrants do not use their qualifications in their job. To some extent these facts account for the many stories of migrant doctors becoming taxi drivers, dentists becoming hospital cleaners and engineers becoming factory workers. The reasons behind these stories are various but include:

- overseas qualifications and skills not being recognised in Australia,
- degeneration of skills if they are not used,
- (perception of) poor English language skills,
- lack of peer networks,
- institutional and systemic prejudice and discrimination,
- breadth of skills and abilities remaining unrecognised, and
- skills transfers into new job roles are often not considered.

Even with migrants who have acquired enough points through the GSM, some or all of the above can occur. It thus appears important that programs such as the GSM take into account the above issues and facilitate the assistance of appropriately skilled and qualifying migrants into the Australian workforce. This can be done in various ways such as incorporating consideration of overseas qualifications and professional accreditation into the GSM, and by providing access for skilled migrants to educational opportunities that would enhance their ability to build peer networks and links with industry, and to gain appropriate cultural knowledge.

It is interesting to note that, in the points test used in Canada, education and skills are assessed separately. In the GSM, overseas qualifications or professional accreditation, even those recognised within Australia, are not specifically awarded points but are integrated with the assessment of skill. It is acknowledged that Australian-Education International (AEI), through the National Office of Overseas Skills Recognition (AEI-NOOSR), provides official information and advice on the comparability of overseas qualifications with Australian qualifications, and that there are some opportunities for overseas trained professionals to undertake bridging courses in order to meet requirements for entry to a profession in Australia.

There are parallels between supporting skilled migrants efficacious entry into the Australian workforce through educational opportunities linked to industry, with those currently being developed in many institutions, including RMIT, to enable older workers (45+) to be re-skilled following periods out of the workforce or after many years in a declining industry. For example, a program being developed at RMIT will assist workers in building new networks through links to industry bodies, tours of industry and work placements brokered by the institution. The program would also incorporate cultural training where appropriate.

RMIT recommends:

1. Incorporating recognition of overseas qualifications in Australia, and relevant professional accreditation, into the GSM. Those who required no further qualifications in order to practise their skill or trade in Australia would receive, say, an additional five or ten points. An intention to pursue further training to secure Australian professional accreditation post migration should also attract similar points.

2. Providing access for skilled migrants to educational opportunities linked to industry that would enhance their ability to build peer networks and links with industry, and to gain appropriate cultural knowledge. These opportunities could be linked into the GSM process.

---

3 Joint Standing Committee on Migration (March 2004); To make a contribution: Review of skilled migration programs 2004; The Parliament of the Commonwealth of Australia.
4 Constable, Wagner, Childs and Natoli (2004); Doctors Become Taxidrivers: Recognising Skills – not as easy as it sounds; Office of Public Employment, Equity and Diversity , NSW
5 Richardson and Lester (September 2004); A Comparison of Australian and Canadian Immigration Policies and Labour Market Outcomes – The National Institute of Labour Studies, Flinders University; Report to the Department of Immigration and Multicultural and Indigenous Affairs.
Drawing on the skills of locally educated and trained international students

Overseas students who are in Australia and have recently completed an Australian qualification make up part of Australia’s migrant intake from the GSM. It is well worth noting that education exports generate $5.3bn for the Australian economy, and international onshore students have each been prepared to invest at least $40,000 in fees and living expenses in order to train full-time to Australian standards before taking out permanent residence. Many will have spent substantially more.

As the Joint Standing Committee on Migration has noted (paragraph 7.84: March 2004), the ready acceptance of local qualifications (by employers) is reflected in the practice of enabling locally educated and trained international students access to the GSM via the ‘recent work experience’ exemption.

The value in accepting migrants who are already well versed in Australian life and culture, and who have already gained local qualifications which are recognised by industry bodies in Australia, cannot be underestimated. Not only have such migrants clearly settled in Australia and are hence much less likely to leave after only a short time, but they already have the appropriate qualifications for the country in which they will exercise their skills.

RMIT recommends:

1. That the significant skills that locally educated and trained international students bring to Australia continue to be recognised with the ‘recent work experience’ exemption. This exemption needs to apply for a minimum period of six months following the award of an Australian qualification.

2. It is important that all those who have already obtained local (Australian) qualifications, including international students, continue to receive recognition by being allocated an appropriate quantum of points in the GSM.

---

7 Birrell, Rapson and Smith (May 2005); Immigration in a Time of Domestic Skilled Shortages; Centre for Population and Urban Research, Monash University.