



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT STANDING COMMITTEE ON MIGRATION

**Reference: Skills recognition, upgrading and licensing**

MONDAY, 5 SEPTEMBER 2005

CANBERRA

BY AUTHORITY OF THE PARLIAMENT



## **INTERNET**

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:  
**<http://parlinfoweb.aph.gov.au>**

## JOINT COMMITTEE ON MIGRATION

Monday, 5 September 2005

**Members:** Mr Randall (*Chair*), Senator Kirk (*Deputy Chair*), Senators Bartlett, Eggleston and Parry, and Mr Laurie Ferguson, Mr Keenan, Dr Lawrence, Mr Price and Dr Southcott

**Senators and members in attendance:** Senators Bartlett, Eggleston, Kirk and Parry, and Mr Laurie Ferguson, Mr Keenan and Mr Randall

### **Terms of reference for the inquiry:**

To inquire into and report on:

Skills recognition, upgrading and licensing:

1. Investigate and report on current arrangements for overseas skills recognition and associated issues of licensing and registration for:
  - Skills stream migrants who obtain assessment prior to migrating;
  - Families of skill stream migrants, family stream migrants and humanitarian entrants who seek assessment/registration/upgrading after arrival;
  - Temporary residents who need skills assessment/recognition; and
  - Australian citizens returning after significant time overseas, with overseas qualifications.
2. Consider how Australia's arrangements compare with those of other major immigration countries.
3. Identify areas where Australia's procedures can be improved including in terms of:
  - Communication of processes to users
  - Efficiency of processes and elimination of barriers
  - Early identification and response to persons needing skills upgrading (e.g. bridging courses)
  - Awareness and acceptance of recognised overseas qualifications by Australian employers
  - Achieving greater consistency in recognition of qualifications for occupational licensing by state and territory regulators
  - Alternative approaches to skills assessment and recognition of overseas qualifications.

**WITNESSES**

<b>ADAM, Mr Abbas, Director, Productive Diversity Section, Department of Immigration and Multicultural and Indigenous Affairs .....</b>	<b>2</b>
<b>CONNELL, Ms Jenet, Group Manager, Workplace Relations Services, Department of Employment and Workplace Relations.....</b>	<b>30</b>
<b>DONNELLY, Ms Jennifer, Acting Director, Skilled Migration Section, Department of Immigration and Multicultural and Indigenous Affairs .....</b>	<b>2</b>
<b>JAMONTS, Mr Andried, Director, Trades Recognition Australia, Department of Employment and Workplace Relations .....</b>	<b>30</b>
<b>KESKI-NUMMI, Ms Arja, Acting First Assistant Secretary, Migration and Temporary Entry Division, Department of Immigration and Multicultural and Indigenous Affairs.....</b>	<b>2</b>
<b>KIBBLE, Mr Steve, Assistant Secretary, Workplace Services Branch, Department of Employment and Workplace Relations.....</b>	<b>30</b>
<b>LADE, Mr Graeme Freear, Director, Malaysia, Brunei and Singapore Section, Maritime South-East Asia Branch, South and South-East Asia Division, Department of Foreign Affairs and Trade .....</b>	<b>21</b>
<b>MULLENGER, Mr Neil, Director, Research and Statistics Section, Migration Branch, Department of Immigration and Multicultural and Indigenous Affairs.....</b>	<b>2</b>
<b>NEVILLE, Mr Ivan, Assistant Secretary, Labour Supply and Skills Branch, Department of Employment and Workplace Relations.....</b>	<b>30</b>
<b>PEGG, Ms Susan, Acting Director, Business Employment Section, Department of Immigration and Multicultural and Indigenous Affairs .....</b>	<b>2</b>
<b>PRESS, Ms Jane, Director, Migration Policy and Analysis Section, Department of Employment and Workplace Relations .....</b>	<b>30</b>
<b>RIZVI, Mr Abul, Acting Deputy Secretary, Department of Immigration and Multicultural and Indigenous Affairs .....</b>	<b>2</b>
<b>RYAN, Mr John, Director, Economic and Demographic Analysis Section, Migration Branch, Department of Immigration and Multicultural and Indigenous Affairs.....</b>	<b>2</b>
<b>WITBREUK, Ms Trudy, Director, Free Trade Agreement Commitments and Implementation Section, Office of Trade Negotiations, Department of Foreign Affairs and Trade .....</b>	<b>21</b>
<b>WOJCIECHOWSKI, Mr Paul, Director, Thailand, Vietnam and Laos Section, Department of Foreign Affairs and Trade.....</b>	<b>21</b>



**Committee met at 9.03 am**

**CHAIR (Mr Randall)**—Good morning, everybody. Welcome, particularly to my colleagues Senator Kirk and Senator Parry, our committee secretariat and all in attendance. First of all I make the following comments. I declare open this public hearing of the Joint Standing Committee on Migration's inquiry into overseas skills recognition, upgrading and licensing. The Minister for Immigration and Multicultural and Indigenous Affairs has asked the committee to examine whether the current processes by which migrants are assessed for entry to Australia under the skilled migration system are functioning efficiently or need to be improved.

The committee is looking at skills recognition not only for migrants but for those who have come to Australia outside the skilled migration system, such as temporary residents needing skills assessment and Australian citizens returning to Australia with overseas qualifications. In addition, the committee is comparing Australia's overseas skills recognition arrangements with those of other major immigration countries and investigating whether greater consistency in the recognition of qualifications might be achieved among Australian states and territories. Today we hear from key Commonwealth agencies including the immigration, employment and foreign affairs departments.

[9.05 am]

**ADAM, Mr Abbas, Director, Productive Diversity Section, Department of Immigration and Multicultural and Indigenous Affairs**

**DONNELLY, Ms Jennifer, Acting Director, Skilled Migration Section, Department of Immigration and Multicultural and Indigenous Affairs**

**KESKI-NUMMI, Ms Arja, Acting First Assistant Secretary, Migration and Temporary Entry Division, Department of Immigration and Multicultural and Indigenous Affairs**

**MULLENGER, Mr Neil, Director, Research and Statistics Section, Migration Branch, Department of Immigration and Multicultural and Indigenous Affairs**

**PEGG, Ms Susan, Acting Director, Business Employment Section, Department of Immigration and Multicultural and Indigenous Affairs**

**RIZVI, Mr Abul, Acting Deputy Secretary, Department of Immigration and Multicultural and Indigenous Affairs**

**RYAN, Mr John, Director, Economic and Demographic Analysis Section, Migration Branch, Department of Immigration and Multicultural and Indigenous Affairs**

**CHAIR**—I welcome the representatives from the Department of Immigration and Multicultural and Indigenous Affairs to this public hearing. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the houses themselves. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. The committee has received your submission, and it has been authorised for publication. I invite you to make a brief opening statement, if you wish, before we proceed to questions.

**Mr Rizvi**—I will just make a very brief statement. Professor Sue Richardson of the National Institute of Labour Studies has found that, whereas OECD countries are mostly worried that the employment experiences of migrants to their countries are getting worse, as a general rule in Australia the employment experiences of migrants are actually improving. She attributes some of this positive development to our immigration selection criteria, the settlement support services we give our migrants and our procedures for the recognition of overseas qualifications.

Notwithstanding this, and as we strive to address skills shortages, there is a need to continue to refine and improve our skills recognition and licensing processes, particularly in the area of the traditional trades. The Longitudinal Survey of Immigrants to Australia confirms that, while employment rates and real income levels of recent skilled migrants have improved significantly compared to those of earlier cohorts in the same categories, a number of skilled migrants are in jobs that do not match their qualifications or in jobs that do not recognise their qualifications. The data indicate that, for example, 20 per cent of skilled independent migrants and their



migrating spouses do not use their qualifications in Australia, compared to only eight per cent not using their qualifications in their home countries.

While Australia has comparatively good overseas skills recognition, licensing and upgrading processes, there is scope for substantial improvement. We believe there are five main areas where improvement can take place. Firstly, in terms of the accessibility of information on recognition, licensing and upgrading processes, the multitude of agencies involved, skills-assessing bodies involved and the range of state and territory governments involved mean that this is a complex area, and accessing information in this area is hard. We are working with skills-assessing bodies and relevant Commonwealth and state agencies on the development of a national web portal on overseas skills recognition, to make access to information in this area easier.

The second area where we believe improvement can take place is the speed and integration of the various steps involved in recognition, upgrading and licensing, particularly where the steps are the responsibility of different agencies at both Commonwealth and state level. The complexity of all of that means that often things are not as streamlined as they could be and often the individuals involved are not aware of what they need to do.

The third area is the extent to which these processes can be undertaken offshore, so that skilled migrants are more job ready on arrival or are clear on what additional skills they need to acquire after arrival. The fourth area where we can achieve improvements is in the establishment of more skills assessment bodies for newer and emerging occupations and making sure that assessment processes of existing skills bodies keep pace with changing technologies and skills. Finally, there is the issue of mutual recognition across different states.

COAG has recently established a working party looking into overseas skills recognition. We are participating in that working party and are in consultation with a range of Commonwealth and state agencies on what they are doing to improve their processes in this area. The fact that this issue has been given such attention by so many agencies is indicative of the importance of skilled migration to Australia's future. It is against this background that these agencies are looking forward to the JSCM's views on how we might improve Australia's skills recognition processes.

**CHAIR**—As we have no further submissions or comments from people in the department, we will move straight to questions. One of the concerns that I have at a representative level is that it appears that the process of allowing people into Australia, whether it be the points system or whatever, does not necessarily match the criteria when they arrive. As I have pointed out previously, someone who may be a doctor in another country comes to Australia and has a problem practising here, and yet they come with the belief that they have been selected on merit and have qualified under the points system et cetera. Is it a problem with our migration system that we select people without letting them know that they should expect problems being recognised when they come here to work?

**Mr Rizvi**—That is a complex question. It does really vary quite considerably from occupation to occupation, and it varies from state to state. I will just use a couple of examples to demonstrate what I mean. If you are entering Australia, for example, as a doctor under the temporary resident arrangements, you are required to obtain what is known as conditional

registration, which limits what you can do and the circumstances in which you operate. Whilst in Australia you can then upgrade your skills, and if you meet the Australian Medical Council's requirements or the requirements of the relevant medical registration body, you can use that as a basis to obtain permanent residence under the business employment categories. For a doctor to enter through the points tested system categories, however, that person must obtain full registration before they can come through that category, which usually means that for a doctor to come through the points tested categories is quite difficult.

I will contrast that situation with, for example, an electrician. An electrician coming to Australia under the points tested categories applies firstly to Trades Recognition Australia to see if they have skills as an electrician broadly equivalent to Australian standards. If they do so, they can use that as a basis to apply for points tested migration. Once they arrive, however, they have to obtain what is known as an Australian trades recognition certificate, which is a certificate granted by a tripartite body of industry, unions and the department of employment. That certificate enables them to operate as an electrician in a supervised capacity, but it does not allow them to operate as electrician in terms of signing-off wiring jobs that might have been done. That can only be done by someone who is licensed. For the electrician to obtain licensing, they have to go to the relevant state licensing body and obtain an electrician's licence, which may involve further testing of their skills before they can get that. That is a lengthy process. When TRA ticks off the person for migration as an electrician for skilled migration purposes, they advise them through a letter that they send them that they are the further steps that they have to undertake. However, once they arrive those steps can take quite a long time and, as a result, there can be quite some dissatisfaction in the individual who probably reasonably expected that the subsequent two steps that they were advised of would occur fairly quickly. Sometimes they do not.

**CHAIR**—That is what this hearing is about: trying to streamline these processes. Do you have any suggestions on how we can cut down the almost bureaucratic process that they have to go through? You have identified the problem; do you have any answers?

**Mr Rizvi**—For the first step it is probably useful to identify what might be a theoretical ideal. Recognising that theoretical ideals are not always achievable, it is worthwhile to at least identify what that might be. In an ideal world all three of those steps should be undertaken in a conjoined way, ideally by the same agency involved and before the person arrives in Australia, so that the day they arrive they are able to go straight into work as, say, an electrician. That would be the ideal. Whether that is achievable or not is another matter. Firstly, there is the question of whether you can establish these skills assessing arrangements overseas. That is something that is worth while looking at. Secondly, there will be significant legislative issues associated with state and Commonwealth legislation which have to be overcome to then locate all of these authorities in the single agency which is operating effectively as—

**CHAIR**—Is that what you are suggesting—a single agency?

**Mr Rizvi**—I am not saying that is the answer. I am saying that that sounds to me like the ideal, and I think it is always worth while asking yourself, 'Can we get to the ideal?' If you cannot get to the ideal then you have to look for second-best.

**Senator KIRK**—Thank you very much for your submission. I want to start with a question of definition and what is actually meant by ‘skilled’. In a few places you refer to highly skilled migration. I know the UK has a highly skilled migration program. Perhaps you could define ‘skilled’ for us.

**Mr Rizvi**—In broad terms, we rely on a document jointly produced by the Australian Bureau of Statistics and the Department of Employment and Workplace Relations known as the Australian Standard Classification of Occupations. That document classifies all occupations into nine broad categories. The top four categories are generally regarded as skilled: that is, professionals, paraprofessionals, tradesmen and managers. Categories 5, 6 and 7 are generally regarded as semiskilled and categories 8 and 9 are generally regarded as unskilled.

**Senator KIRK**—I see. So when you refer to ‘highly skilled’, are you talking about that top four?

**Mr Rizvi**—That is correct.

**Senator KIRK**—So the skilled migration that we are talking about here is just that top four, the equivalent of highly skilled?

**Mr Rizvi**—No, we do go beyond that. In terms of the highly skilled, the top four groups are the ones we concentrate on in the points test. However, we recognise that in some parts of regional Australia there are very significant shortages of semiskilled people. For example, in your own state, Chair, there is a significant shortage of skilled meat workers. They are sometimes classified in the middle range. What the government has put in place is arrangements to enable people in regional Australia to access semiskilled people in that middle group.

**Senator KIRK**—So the top four are professionals, tradesmen—

**Mr Rizvi**—Paraprofessionals.

**Ms Pegg**—And managers.

**Senator KIRK**—I see. So it does not depend so much on university or TAFE qualifications, it is much more industry based?

**Mr Rizvi**—No. We really do take it from that Australian Standard Classification of Occupations, which does include all tradespeople at level 4.

**Senator KIRK**—I also have some questions about image and regional migration, but firstly I am interested in the state-specific regional migration mechanisms. Can someone outline for me how they function, please.

**Mr Rizvi**—Essentially the state-specific migration mechanisms seek to look at mainstream skilled migration categories. Broadly, we have business migration, points tested migration of an independent nature, points tested migration where a family sponsor is involved and employer sponsored migration. We have looked at each of those and asked how we could modify them to give regional Australia a greater advantage in accessing people in that range of categories. For

each one of those categories we have made some modifications which essentially give regional Australia an advantage. For example, in the independent skilled migration area one has to meet a points test mark of 120 points. However, if you are able to obtain sponsorship from a state government, or regional certifying body, you are able to access independent migration on the basis of a pass mark of 110 points. In addition, you get 10 bonus points for having been sponsored by a state. That makes it a lot easier for you to access skilled migration than if you were not sponsored by a particular state or territory.

The level of involvement of the states and territories that are participating in that varies depending on which areas of their states they are seeking additional skilled migrants for. For example, all of Tasmania benefits from that particular arrangement. In New South Wales it is really only areas west of the Dividing Range that benefit.

**Senator KIRK**—What about South Australia?

**Mr Rizvi**—All of South Australia.

**Senator KIRK**—What about Western Australia and the other states?

**Mr Rizvi**—It is all of Western Australia other than Perth.

**Senator KIRK**—Is it the same in Queensland and Victoria as well?

**Mr Rizvi**—It is all of Queensland other than Brisbane and the Gold Coast.

**Senator KIRK**—And Victoria?

**Mr Rizvi**—It is all of Victoria other than in Melbourne except for one category, which is the family sponsored skilled migration category. If you are sponsored by a family in Melbourne, you get the benefits that you get in other parts of regional Australia. That is only if you are sponsored by someone in Melbourne; you do not get that benefit if you are sponsored by someone in Sydney.

**Senator KIRK**—How does the state sponsor an individual? Does the individual approach the state and ask for sponsorship? How does that work?

**Mr Rizvi**—That is right. Each of the states have their guidelines on who they will sponsor. They have posted those on their web sites.

**Senator KIRK**—Is that determined by industry or trade?

**Mr Rizvi**—It is determined by the state government in consultation with industry within the state government. They post their guidelines on the web site, people approach those state governments and, if they obtain sponsorship from that state government, that enables them to proceed to apply for migration and get the benefits of state sponsorship to us. In conjunction with those sponsorship arrangements, many of the states offer additional support and assistance to the individual who is migrating to that particular state.

**Senator KIRK**—So the benefits of state sponsorship are essentially the point values. Is that correct? Is that what it comes down to?

**Mr Rizvi**—That is right. That is the benefit in terms of being able to access migration. There are additional benefits because some of the states do provide additional services to support those individuals.

**Senator KIRK**—Do you think there are other avenues that might exist for Commonwealth, state and territory cooperation in the field of skilled migration?

**Mr Rizvi**—There might well be. We do meet with the state governments on a very regular basis. The Commonwealth State Working Party on Skilled Migration meets every six months. Most of the initiatives that I have been describing have come out of those consultative arrangements.

**Senator KIRK**—Just finally, I was wondering how the, what you call, SSRMs interact with the Regional Sponsored Migration Scheme?

**Mr Rizvi**—The Regional Sponsored Migration Schemes are really a subset of those state-sponsored ones. The regional sponsored ones essentially involve employer sponsorship. For example, if you are sponsored by an employer in regional Australia, you get much faster processing arrangements and a range of concessions on the normal requirements if you are supported by the regional certifying body in that region. For example, the regional certifying body around the Wagga region is the Riverina regional certifying body. They are very active, and through that regional certifying body they have helped bring a significant number of skilled migrants to the Riverina.

**Senator KIRK**—What geographical locations are taken in by the Regional Sponsored Migration Scheme—the same as the ones you described before?

**Mr Rizvi**—They are essentially the same. Melbourne does not benefit from the regional sponsored schemes, but other than that it is essentially the same as the ones I described earlier.

**CHAIR**—To bring me up to speed, if someone sponsors somebody for a regional area what criteria are in place to make sure they stay in the regional area?

**Mr Rizvi**—If you are sponsored by an employer into a regional area on a temporary basis, of course you must remain with the employer who has sponsored you unless you are able to acquire sponsorship from another employer in another region. Essentially, you have to stay with that sponsor whilst you are on a temporary visa. Once you convert to a regional sponsored permanent visa—

**CHAIR**—How long might it take to change to a regional permanent visa?

**Mr Rizvi**—If you are already onshore on a temporary visa?

**CHAIR**—Yes.

**Mr Rizvi**—That can be relatively quick depending on the circumstances.

**CHAIR**—When you say quick, do you mean weeks, months, years?

**Mr Rizvi**—It would be weeks. Most of those employer sponsored regional visas are done fairly quickly.

**CHAIR**—So then they change to a permanent regional visa. How do you see that they stay where they are then?

**Mr Rizvi**—To convert to a regional sponsored visa on a permanent resident basis you are required to have a contract with the employer for a minimum period of two years. That is a common-law contract and is enforceable in that way. In addition, if there is evidence that the person sought to contrive that and we have evidence to prove that, then there are visa cancellation provisions available to us.

**CHAIR**—So, essentially, after they have done their two years in a regional area, they can go wherever they like.

**Mr Rizvi**—That is correct, although our research suggests that if a person has spent something in the order of three to five years in total in a particular region—taking into account the temporary visa as well—there is a very strong possibility they will remain there.

**CHAIR**—I say that because you mentioned the case of the meatworkers in Western Australia, but when these workers in Albany were given permanent visas you could not see them for dust; they left the area.

**Mr Rizvi**—Yes, that is true. I am not entirely sure how long those temporary protection visa holders were in that particular area. Essentially the research suggests that if they get up to between three and five years then you have a good chance. It is certainly not guaranteed. At the end of the day, every individual permanent resident in Australia has the right to live where they wish.

**Senator BARTLETT**—On the definitional side of things, what is the difference between permanent skilled migrants and people on temporary visas of various sorts? I understand we have much greater numbers of people these days on temporary residency coming in than we do with the permanent program, which is where most of the controversy is. Is there any distinction there? How well do they blend together? Are most of the temporary visas aimed at transitioning to permanent over time?

**Mr Rizvi**—The key temporary resident visa in this area is what is known as the subclass 457 skilled temporary entry visa. Last year something in the order of 60,000 such visas were issued. Those visas allow a person to be in Australia from anywhere between three to four years, and they can then extend that visa if they wish. An important change that the government made earlier this year in respect of that visa was to say that, if someone has been in Australia on that visa for two years with a particular employer and that employer wishes to then retain them and there is agreement between the employer and the employee regarding permanent sponsorship, the employer can then automatically convert that to permanent resident after two years. That is

essentially designed to try to streamline the process of converting those temporary entrants into permanent residents where the individual employee and employer agree that that is what they would like to do.

**Senator BARTLETT**—So where that happens, for example, would that count as a spot in the 100,000 skilled that we are looking at?

**Mr Rizvi**—When the conversion takes place to permanent resident, that one is counted as one spot in the permanent program.

**Senator BARTLETT**—With that close to 100,000 that is the overall target for next year, is that a target rather than a cap?

**Mr Rizvi**—The overall program the government has set is 140,000 and the planning level for the skill stream is just under 100,000. That is what we would be aiming to deliver. If demand turns out to be significantly higher than that, we have the option of going back to government to see if they wish to accommodate the additional demand.

**Senator BARTLETT**—If you have 60,000 people on those three- to four-year temporary visas, obviously that is 60,000 every year, some of whom could be here for three or four years. That is fine, but you could potentially have a large number all transferring at once. It is pretty hard to contain that. If you had a big push, as we potentially have at the moment in a number of countries, you are not going to get a situation in one year where you get to visas number 99,999 and have to say, ‘That’s it for the year’? You would get to 110,000 or whatever and then the next year you might say, ‘We need to wind it back a bit.’

**Mr Rizvi**—We tend to manage it on the basis of priorities. If you are employer sponsored in the skills stream, that we view as the highest priority. If an employer has established that they want you, then clearly it has been established that that person is needed by the Australian economy, and so they will get priority. If large numbers of people transfer to employer sponsored migration, we would do all we could to accommodate those people. If necessary, that would mean squeezing down on, say, the skilled independent categories where you are not sponsored by anybody.

**Senator BARTLETT**—I think the problem you identified earlier of people coming here and then needing to upgrade or get skills recognised is inevitable. Obviously, this other approach of people coming here on temporary visas and getting all that sorted out is preferable for everybody. It strikes me that student visas are another way that that could be partly overcome—people coming here on student visas, getting their skills upgraded and then transferring across. Are we doing more of that these days?

**Mr Rizvi**—Very much so. Last year we visaed something like 16,000 overseas students as permanent residents. They completed their studies and converted to permanent residence. Increasingly, however, employers are saying, ‘The university degree is great, but we actually need a bit more,’ and often that involves some sort of work experience, a professional year or something like that. So we are trying to develop pathways for overseas students, perhaps through an occupational trainee visa, to permanent residence. That is also something that is developing.

The vast majority of overseas students who come to Australia do university studies. They are not able at the moment to do a traditional trade. For example, you cannot do a traditional apprenticeship on a student visa. There are a number of factors that limit that. From 1 November this year, Ms Keski-Nummi will be working on an arrangement—we are consulting closely with the states on this—which would enable a person to come to Australia and do a traditional trade apprenticeship and then migrate. That is another way of bringing in people who may have some trade skills, but not up to the level of Australian standards at this stage—for them to come in and do a trade apprenticeship and, at the completion of that, move on to permanent residence.

**Senator BARTLETT**—What about the area of overseas trained doctors for example, which is fairly topical at the moment. Is there scope for doctors from various areas to come here on some form of student, training or upskilling visa to do a year's residency or something like that and be tested out that way, rather than having to grab them and throw them straight into Bundaberg Hospital, to pick an example?

**Mr Rizvi**—There are a variety of routes that people can use. You can certainly use the standard overseas student route. There are a substantial number of overseas students currently doing medicine at Australia's medical schools. Those people, on the completion of their medical degrees, are able to move on to what is known as an occupational trainee visa, which gives them the opportunity to move on to an internship and do that further practical work that is needed before you become a fully qualified doctor. At the completion of that, they can then apply for migration. People are using that pathway. As I said, the other pathway, which is also frequently used, is for people who are already fully qualified doctors in their home countries to come to Australia on a temporary basis—on a conditional registration arrangement—and then upgrade their skills whilst they are here; and then, once they can satisfy the Australian Medical Council, move on to permanent residence.

**Senator BARTLETT**—Is this new area you are talking about from 1 November linked to the new arrangement at federal level with some of these federal-run training colleges or is it straight through and linked into TAFEs?

**Ms Keski-Nummi**—No, it is not, because the vocational training colleges are really aimed at year 11 and year 12 students. This is for people who are over the age of 18. We are working very closely with state training authorities, the group training authority and the GTOs, who would be the hosts and sponsors for people coming in to undertake this sort of training program.

**Senator BARTLETT**—Are there any numbers you are looking at in relation to that?

**Ms Keski-Nummi**—We will be starting off with some pilots. The numbers would probably be in the hundreds in the first year as we see how it develops and grows.

**Senator BARTLETT**—My next question relates to the permanent skilled visa program. Examples are raised fairly regularly, sometimes publicly and often not, of people with skills, such as doctors or tradespeople—for some reason doctors seem to get mentioned more in the press—who have been here a while and wanting to migrate or becoming permanent residents but who have a child or a partner with a health problem and that then precludes them. Is any consideration being given to addressing that issue? It seems that, if we are trying to get highly



skilled people, and there are people already here who are showing that they are good value, they should not be discriminated against, might one say, on the grounds of disability.

**Ms Keski-Nummi**—Yes, we are looking at the introduction of a waiver for skilled migrants where there may be some medical conditions.

**Senator BARTLETT**—You said that you were looking at it. What stage is that at?

**Ms Keski-Nummi**—We need to get policy approval for that.

**Mr Rizvi**—Essentially, there is a balancing act here. On the one hand, we want the skilled migrant; on the other hand, there may be health issues which will create costs for state governments in their hospitals and health systems.

**Senator BARTLETT**—It is good to hear of a concern for state government budgets!

**Mr Rizvi**—We are very conscious of all budget matters. If we are going to move down the path of introducing a health waiver in those circumstances, we need to be sure that the individual state governments see the merits of it and accept that the economic and budgetary benefits of the skilled migrant will, in most cases, more than outweigh the health costs that will be incurred. We need to make sure that we have a mechanism in place which will look at this on a case-by-case basis so that where we apply the waiver the state government is clearly of the view that it is a good thing to apply the waiver and proceed on that basis.

**Senator BARTLETT**—Can I take it from that answer that to loosen this, for want of a better word, would need some sort of state government approval?

**Mr Rizvi**—It would need state government support. It does not necessarily require their legislative support, but we believe it requires their support, given that effectively we would be making decisions that would lead to some costs to the health system which they would have to bear.

**Senator BARTLETT**—If I turned it around the other way, is it fair to say that to some extent the pressure to apply these preclusions on the grounds of health has come from states?

**Mr Rizvi**—The preclusions on the grounds of health are quite longstanding. Australia has had a longstanding arrangement whereby a skilled migrant who cannot meet the health requirements because of costs to the health and welfare systems is prevented from being visaed. That has been around for as long as I can remember. However, the point you make is a very valid one, and we need to progress it but we need to progress it in a manner that all the state governments will support.

**Senator BARTLETT**—I am not asking you to make a political comment, but I am sure you are aware that there are disability advocacy groups that are not overly pleased with this general principle. In my final question I am trying to assess whether it would be appropriate for advocacy groups to pressure state governments as well as the federal government, because they have a stake in the application of this policy.

**Mr Rizvi**—Our discussions on this with the state governments have been quite positive. They are all keen to move forward. It is a question of developing the right mechanism and the right process for putting it in place. Whilst it is entirely open for advocacy groups to advocate, I am not sure that it is essential in taking this forward because state and Commonwealth governments recognise that the problem has to be addressed. It is a matter of working through the best way of doing that.

**CHAIR**—Ms Keski-Nummi, you talked about pilot programs. When and where are they likely to occur?

**Ms Keski-Nummi**—The visa will come into effect on 1 November. We are working closely with a number of organisations at the moment so that, as soon as it comes into effect, we may be able to have the first sponsorships assessed and approved and then move quickly to some visa applications. So we will probably see some of the first pilots up and running fairly early in the new year, depending on the sorts of training cycles.

**CHAIR**—Can you give us a hint of where they may be located?

**Ms Keski-Nummi**—We are talking to some organisations in Queensland at the moment—they are the ones that are probably the most concrete. They are focused on regional Australia. This visa is for regional Australia, so these organisations will not be located in metropolitan areas. Apart from that, we are talking to organisations, more broadly, in Western Australia, South Australia, regional New South Wales and Victoria at the moment, but we still have a fair bit of work to do with some of them.

**CHAIR**—I just make the point that, for example, on the Burrup Peninsula they are having difficulty even getting welders.

**Ms Keski-Nummi**—Yes.

**Senator PARRY**—Just following on from Senator Bartlett, while it is still fresh in our minds, you mentioned the skilled waiver and exempting health issues. You mentioned the reasons for that were health costs. What about health risks? Will there still be ways to cover the risk factor—in particular, tuberculosis and other airborne pathogen transition?

**Mr Rizvi**—The waiver will not operate where public health is involved. If it is a matter of public health, it must be addressed as a public health issue, and there will be no waiver available for public health concerns.

**Senator PARRY**—Good. How does our visa granting compare to other countries in relation to health issues only? Are we strong or weak? How do we compare?

**Mr Rizvi**—We have a fairly extensive and fairly rigorous health-processing system, which is a standard part of visa processing that we have in place. I would have to say that the health-processing side of our visa system is probably significantly stronger than the vast majority of countries in the world. Most countries that operate in this area do not actually have a health-checking arrangement. For example, at the moment the United Kingdom does not have one as part of their visa-processing system; Canada does. The two countries that have the most rigorous

arrangements in this regard in the world are probably us and Canada, being the two most active immigration countries in the world.

**Senator PARRY**—On that point, do you keep statistics on any health implications that have occurred with immigrants arriving? Is there a higher or lower incidence of mainstream health issues?

**Mr Rizvi**—We do monitor the health statistics very closely. The key statistic, of course, is the rates of tuberculosis in Australia. Despite a very significant rise in tuberculosis having taken place around the world over the last decade and despite Australia having a very large migration program, we have been able to maintain a very low level of tuberculosis. That gives us some comfort that things are going quite well in that regard. We also use our longitudinal survey of immigrants to Australia to ask various health questions, and we have the data from our health-checking arrangements that gives us a pretty good idea of what is going on. Having said that, there is no room to be complacent about something like this. Certainly we are very strong on issues of tuberculosis and on health costs to Commonwealth and state governments. It is something we monitor very closely.

**Senator PARRY**—I just want to take you back to your opening remarks. You mentioned that about 20 per cent of people who arrive here do not use the skills that enabled them to come here. Is there a major reason for that?

**Mr Rizvi**—I think there would be range of reasons. The first would be difficulties after arrival in getting a licence in the particular skill that they have. That usually results in delays and frustration. The 20 per cent figure is a point in time figure. Of course, as they go through the process of upgrading their skills to get a licence, they may well eventually be able to use their qualifications. Another issue tends to be that Australian employers, in some parts of Australia, remain sceptical and perhaps risk averse in hiring people with skills from overseas. There is still an element of that around. There is still an element of people not hiring people from overseas who may actually have quite good English but, because of a strong accent or something, they may be reticent about taking that person on. Those are the sorts of factors that are coming to us, from the research.

**Senator PARRY**—Does this 20 per cent fall into a lower category of skill or become completely unskilled or do they move into a higher category or shift sideways, and does it pose a problem? Is it a high percentage of movement?

**Mr Rizvi**—It is a question of whether you look at the glass as being half full. Twenty per cent not using their qualifications suggests that 80 per cent are, which is not bad, and globally that is probably not bad. Nevertheless, 20 per cent not using their skills is a waste—it is a waste for the individual, it is a waste for the economy and it is a waste for Australia's budget—and anything we could do to get that 20 per cent figure reduced would be worth while pursuing. In many ways the work that we are doing with state and territory governments at the moment in the areas of assessment, recognition and upgrading needs to be pursued pretty vigorously. A couple of years ago, for example, the Department of Health and Ageing announced a new program to help people who had come to Australia with medical qualifications get those medical qualifications upgraded so that they could be recognised. That is the type of thing we need to be thinking about more broadly and more systematically.

**Senator PARRY**—Just finally on that point, to put it into our vernacular, are we being conned by 20 per cent coming here hailing to do one particular task and then moving to something else? Is there an issue of fraudulent activity?

**Mr Rizvi**—There may be a small degree of that. We do look out for fraud in this area very carefully. We do identify people who have put forward documents purporting that they have various skills which we do checks on and find they are not what they said they were. It does happen. I believe we are quite effective at identifying those, but that is not to say a very small percentage may not be getting through in that way.

**Senator PARRY**—Just moving on to your third point in your opening remarks about improvements could be made in the offshore processing, being a lay person who does not completely understand your system I cannot see how that would be cost effective and practical. Surely we would still need to utilise the different groups under the NOOSR arrangement, I think it is, where you have approved groups that can accredit and peer assess. Would you propose peer assessing take place offshore?

**Mr Rizvi**—You are right. The big challenge with what is proposed there is whether we could do it in a cost-effective manner. The costs of employing or appointing Australian public servants to do that sort of work offshore would probably be quite prohibitive, making it very difficult. However, the question arises of whether you could do it in a manner that did not necessarily involve having to hire a large number of Australian public servants offshore. For example, in the health assessment area we use what we call panel doctors quite extensively overseas to check whether somebody meets our requirements. The question arises whether we could establish a similar panel of skills assessors overseas which operate on the same basis—that is, the applicant pays the skills assessor to go through a testing process; we establish the skills assessors overseas and make sure they are properly trained and understand Australia's requirements and make those assessments overseas. I am not sure whether that is workable or not, but I do believe it is worth exploring.

**Senator PARRY**—Currently under the NOOSR arrangement, do you hire or pay a fee to industry associations? Is that how it is performed in Australia at the moment when they arrive?

**Mr Rizvi**—In Australia at the moment each of the skills-assessing bodies charges an application fee to make the assessment. The applicant pays that fee to the skills-assessing body and then they are tested and get a result. It does operate on a cost-recovery basis at the moment onshore; the question is whether we could operate something similar offshore.

**Senator PARRY**—Going back to your electrician example, would it be easier to fully assess someone by way of practical assessment—whether it be one or two weeks or whatever is required—from day one and then, if they passed all the requirements, they could be assimilated into the work area? Is that a practical way of attending to it?

**Mr Rizvi**—In theory, it certainly is the ideal. Whether it is practical and achievable is the real question. I do not know the answer to that.

**CHAIR**—In relation to your comment about the 20 per cent, I am sure we have all run across the odd taxi driver who claims to be a rocket scientist and that they should not be driving a cab.

Some submissions have expressed concern that education and training for a particular field in Australia may be overlooked through the focus on recruiting skilled migrants. DIMIA's submission on page 7 says that labour agreements consider the employment and training opportunities for Australians. It also says that under the temporary business entry subclass 457 visa employers must demonstrate that they have a satisfactory commitment to training Australian residents. What are DIMIA's current training requirements for employers' training programs and how are they monitored?

**Ms Pegg**—At the moment the legislation just requires that there be a satisfactory record of training or commitment to training. The case officers look on a case-by-case basis at what the employer has done in the past and what they are planning to do in the future—for example, depending on what industry it is in, whether they employ apprentices, whether have they trainees, whether they allow their current Australian employees to be upskilled and whether they facilitate that by, for example, paying for courses and whether they have formal training programs. There is a range of methods that can be used and it is very much done on a case-by-case basis. All business sponsors in the temporary sponsorship world are monitored within 12 months of their sponsorship being approved. One of the things that is looked at is what they have done in that 12-month period in regard to training Australians.

**CHAIR**—Who monitors it?

**Ms Pegg**—Our staff do in regional areas.

**Senator EGGLESTON**—Taking up Senator Parry's point, it has always concerned me that people are brought into Australia with a specific skill and we do not seem to follow them up on a long-term basis to see if they are working within the industry sector which we gave them access to this country to work in. It seems to me that it is not addressing the need, for a start, and it also opens up an avenue for people to—perhaps *rot* is too strong a word—improperly gain access to Australia on the basis that they will work in a specific industry and then after a short period, having come in, say, as a teacher, go off into something else. It seems to me that we do not follow that up and, therefore, the aims of this program are not adequately being monitored or addressed. What would you say about that?

**Mr Rizvi**—It is always a question of degree. We have a longitudinal survey through which we monitor the occupations in which people coming through various skilled migration categories work. That is showing us that the bulk of the people coming through the skilled migration categories are working in occupations that are making pretty good use of their skills. As I said earlier, about 20 per cent of skilled independent migrants, according to our longitudinal survey, are not using their skills. The question then goes to why they are not using their skills. Our view is that rarely would it be because an individual has in some way misled us as to what their true skills were.

**Senator EGGLESTON**—I am not saying that.

**Mr Rizvi**—It does happen occasionally, but generally they do have the skills that they said they had when we visaed them. They do encounter then difficulties sometimes in getting employment. Sometimes those difficulties will relate to licensing requirements. For example, we discussed earlier the case of an electrician who arrives in Australia meeting Australia's broad

requirements as an electrician but, because they have not passed the specific tests associated with, for example, Australian wiring requirements and those sorts of things, there may be a delay in them getting a licence and that may delay them getting into a job that uses those skills. That is certainly one area of concern.

Another area of concern is that employers in some parts of Australia may still be risk averse in employing someone with an overseas skill. They look at the overseas skill and they say, 'I'm not quite sure what an electrician from Poland really knows or doesn't know, and I'm just a little nervous about taking them on,' and they may take on someone who has a skill from a source that they are more familiar with. There will be those sorts of issues.

There will also be issues with people's English language skills. Even though their English language skills may be quite good, employers are sometimes concerned about accents and those sorts of things. They are factors, I believe, that are contributing to the 20 per cent not using their qualifications, and that is the 20 per cent we need to deal with. We need to find ways of overcoming the barriers to employment for that 20 per cent.

**Senator EGGLESTON**—I remember asking questions about this in a previous inquiry we held into skilled migration. What do you call a longitudinal follow-up? Over what period is it?

**Mr Rizvi**—I will ask Mr Mullenger to describe a longitudinal survey.

**Mr Mullenger**—The last longitudinal survey went out to 18 months. They interviewed people after they had been here for six months and then again at 18 months. Currently we have a third longitudinal survey in the field, and we are hoping to take that one out longer, partly because of the improvement in technology and the ability for us to track people over the longer term using email addresses, essentially. In the past, we have looked at them at six months to get an idea of how they are initially settling and then again at 18 months, when we anticipate that they will have found their feet and got into the occupation that they are qualified in.

**Senator EGGLESTON**—But you are not, for example, doing it at five or 10 years?

**Mr Mullenger**—No, we have not gone out to five or 10 years. Partly it is an issue of cost, or it has been in the past, because they have been face-to-face interviews and they cost over a million dollars. It will cost a lot of money. You also have the issue of attrition. You will lose people because people move and things like that. It is very hard in a country like Australia to keep tabs on people over the longer term.

**Mr Rizvi**—A possible solution in that area is some work we have been doing with the Australian Bureau of Statistics on looking at how they run their censuses and whether it is possible to link censuses and in that way track people over a longer period of time. Whether that is feasible or not, I do not know, but that is something that we are talking to the ABS about.

**Senator EGGLESTON**—How do Canada do it? What rules do they apply?

**Mr Mullenger**—They have started out with a tax-linking approach, where they share information and data between their immigration people and their taxation people. They keep track of people in that sense, because when you put in a tax return every year you are obviously

giving the government some information on your occupation and things like that. In Australia, we have certainly seriously looked at that option, but our privacy laws are very strict and to date we have not really been able to negotiate those barriers. As Abul has just mentioned, we are very optimistic, though. In fact, the ABS have announced that they are going to look at a five per cent sample of the census. Five per cent of all Australians is quite a large number still and would contain a very significant number of newly arrived migrants. So we are hopeful that the privacy issues will not be quite as intractable as when we looked at the Canadian approach of linking with taxation. The other thing I should say is that the Canadians have subsequently emulated us and looked at tailored longitudinal surveys of immigration, so the taxation link in itself is probably not enough anyway. You probably need a combination of both.

**Senator EGGLESTON**—As I said at the beginning, my concern is that we have a skilled migration program to address specific skill needs. It just bothers me a little bit that perhaps we are not following these people tightly enough to ensure that our areas of unmet need are being satisfied by this program.

**Mr Rizvi**—Certainly, looking at the longitudinal surveys, we are achieving pretty good results within the first 18 months after arrival. Looking at it over a longer period of time is something we would love to do, but there are significant costs involved in doing that.

**Senator EGGLESTON**—Would it make more sense to do it at five years instead of 18 months? Eighteen months is a pretty short period of time, isn't it?

**Mr Rizvi**—The risk with five years is that, with people moving around as much as they do, your ability to track them after five years becomes a lot harder. What we find through these surveys is that it is quite easy to access them six months after arrival because we have a pretty good idea of where they were going to settle. At 18 months, there is some attrition. With the first longitudinal survey of immigrants to Australia we went out to 36 months as well, but by that stage the level of attrition—that is, that people simply did not fill in the questionnaires—was so high that the quality of the data was becoming questionable. The question was how we could keep them in our survey sets if we went out to five years.

**Senator EGGLESTON**—Are you satisfied you are servicing the needs of the program by just letting them disappear on that basis? Couldn't you use Medicare numbers or other such sources of information to track people?

**Mr Rizvi**—As Mr Mullenger just pointed out, there are some options in this area. The tax-linking arrangement is one; the Medicare one, which you just suggested, is another way you might be able to track them. Longitudinal censuses is another. At the moment we are looking at all those types of things to see which would be the most cost effective. I totally agree with you: tracking what is happening is really important. It is a matter of finding the most cost-effective way of doing it without breaching our privacy laws and, also, without imposing upon migrants a requirement that perhaps you would not impose upon Australians more generally.

**Senator EGGLESTON**—With the exception that these people have been given entry to Australia for a specific reason.

**Mr Rizvi**—Sure.

**Senator PARRY**—You mentioned in a response to a question from the chair about people moving location once they have a more permanent visa. Would legislation assist in making it compulsory for people to reside in a particular area? Is that something you would promote or encourage?

**CHAIR**—Or zones.

**Senator PARRY**—You have clearly set out in your submission what areas are defined as regional Australia. If people had to stay in regional Australia longer by definition of a legal requirement once their classification improves rather than the current system where there is no enforcement, would that assist?

**Mr Rizvi**—At the moment we have some arrangements for people to stay in certain areas for certain periods of time. For example, with the skilled independent regional visa, if you are sponsored by the state government of South Australia, you are required during the three-year temporary entry visa you get to reside in South Australia.

**Senator PARRY**—But you can reside in Adelaide rather than in Gawler or further out.

**Mr Rizvi**—You can. Let us say you are sponsored by the regional certifying body for the Riverina. You would be required to reside in the Riverina area. The visa would be for three years for that area. Once you had demonstrated that you had been in that area for two years, you obtain permanent residence. We do not place any restrictions on that permanent resident. I think, at the end of the day, it is a matter of judgment as to what more restrictions you would want to place on the individual. The more restrictions you place on the individual, the greater the difficulties that person may have getting jobs that they are after. On the other hand, we get the benefits of the person being in that area for longer. It is a difficult trade-off. Yes, you could pursue legislation in that area. I suspect it would not be easy. You would have to think very hard about imposing requirements on migrants that were such that you started to also lose Australia's competitive advantage for those people. If there are countries around the world competing for highly skilled people, the more restrictions we place on the people after they become permanent residents, the more they may think, 'I'll go to Canada, thanks.'

**Senator PARRY**—Thank you for that answer.

**CHAIR**—We are just about out of time, and we have others waiting, but I have three brief questions. Recently I found from discussions in Italy that, when the Italian economy and government et cetera find that they are short on any particular skill, they just have to tap into the EU. There seems to be a recognition amongst EU countries and even non-EU member countries about qualifications and acceptance et cetera. Given that Australia has a good strong linkage to Britain, in particular, and to other major EU countries, couldn't we just get on the back of that in terms of skills recognition for visa classifications? If you cannot answer that briefly, could you provide your response in writing?

**Mr Rizvi**—We do have a mutual recognition arrangement with New Zealand in respect of a range of occupations. In a range of other occupations, however, even amongst our states we are finding it hard to get agreement. Conceptually, what you are proposing is certainly feasible and certainly worth while pursuing. How practical it is in terms of getting there and how quickly we



could get there is another matter. Given that we are still having mutual recognition problems amongst the states, having mutual recognition arrangements with other countries is just another level of difficulty.

**CHAIR**—Okay, fair enough. Page 4 of your submission indicates that the temporary business subclass 457 visa is an option for both graduating students and working holiday makers wishing to extend their stay in Australia. These people are limited to four-year stays. By implication, these people are recruited to work in companies. Do most of the people who work in companies come on postings from overseas parent companies? What lasting benefit does Australia receive from them?

**Mr Rizvi**—Many of the people who are on subclass 457 visas are intercompany transferees. That happens a lot. A lot of the large multinationals move people around the world in that way, and they use the 457 visa in that way. Equally, the 457 visa is now being used right across the board by Australian employers seeking to tap into skills very quickly. The advantage of the 457 visa is that the employer gets to retain the person whilst they are sponsored in Australia. The visa is very quick; it can be applied for over the internet. If the employer is well known to DIMIA, regularly meets all of its requirements and we know it has a good training record, visas for people coming in on that visa can be processed very quickly. The big advantage for Australia is that you have the skill very quickly. The person is working in Australia and contributing to the Australian economy and Australia's budget.

**CHAIR**—Finally, as we saw on the front page of the *Australian* not so long ago, DIMIA is about to launch the largest program since the ten pound pom campaign of the fifties and sixties. How is this campaign different from the ones in the past in meeting current specific labour shortages by matching skills and employers? Could you provide the committee with details of the series of expos being held in London, Berlin, Chennai and Amsterdam later this month and in October as part of this campaign? How much is this exercise expected to cost the Australian government? Will these events be coordinated across a range of industry bodies and the state and territory governments?

**Mr Rizvi**—I think there were four questions there. In terms of the expos themselves and the details of how they are going to be run, if I could take that on notice, we will get you the details. Your first question was: how is it different to the way we selected migrants in the fifties? I believe the key difference here is that we are taking the state governments and employers with us. Fundamentally, the selection is going to be done resting on their powers to sponsor skilled migrants, whereas back in the fifties it was predominantly done by immigration officers doing the bulk of the selecting. We believe having employers doing the selecting is a better system. As much as I have confidence in how well our staff would select, we believe employers are better people to select the migrants, as are the regions and the state governments. The focus is very much on skills, whereas in the fifties the skill dimension was not as significant as it is today. That is simply a reflection of how the world has changed in 50 years. That is two of the questions answered.

With respect to cost, the government has allocated \$3 million per annum for the promotion of skilled migration, both overseas and through employer seminars. There are two main objectives here. The first is to help employers and state governments recruit the skilled migrants they need. The second is to run employer seminars for employers so they better understand what processes

they have to go through to get a skilled migrant to Australia, so they understand how to do it and they can do it faster. We did receive some criticisms that employers simply did not understand or were a bit reticent about it, thinking: 'This is going to take me heaps of bureaucracy and it's going to be very hard.' We want to show them that, if we can train them, it is actually quite easy.

**CHAIR**—Couldn't Australian posts overseas be more active? Rather than just having expos, couldn't they be more proactive themselves in promoting these opportunities, rather than having a specific program?

**Mr Rizvi**—I think it is a question of doing both. We are operating in a very competitive environment, and I think we need to take whatever advantage we can get. We believe running the expos is a good way of enabling employers to select the migrants they need. In addition, we have our overseas posts doing more encouraging of potential skilled migrants to enlist on what is known as our skill-matching database, which is a database of potential skilled migrants which we make available to all employers and all state and territory governments. The more people we can get onto that database, the wider the menu of people that our state governments and employers can choose from.

**CHAIR**—We have gone over time, but we thank you very much for attending the hearing today. The secretariat will send you a copy of the transcript for any corrections that you need to make. I would be grateful if you could also send the secretariat any additional material that you have undertaken to provide as soon as possible. We appreciate your time here today.

[10.16 am]

**LADE, Mr Graeme Freear, Director, Malaysia, Brunei and Singapore Section, Maritime South-East Asia Branch, South and South-East Asia Division, Department of Foreign Affairs and Trade**

**WITBREUK, Ms Trudy, Director, Free Trade Agreement Commitments and Implementation Section, Office of Trade Negotiations, Department of Foreign Affairs and Trade**

**WOJCIECHOWSKI, Mr Paul, Director, Thailand, Vietnam and Laos Section, Department of Foreign Affairs and Trade**

**CHAIR**—Welcome. Although this committee does not require you to give evidence under oath, I advise you that the hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the parliament itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. The committee has received your submission and it has been authorised for publication. I invite you, if you wish, to make a brief opening statement before we proceed to questions.

**Ms Witbreuk**—The Department of Foreign Affairs and Trade is involved, through its free trade agenda, with the development of mutual recognition arrangements. We see this as an important means of facilitating trade and services through overcoming regulatory barriers such as licensing, educational recognition, qualifications and so on. As you probably already know, we have mutual recognition arrangements with New Zealand. In our most recent FTAs with Singapore, Thailand and the United States we have also pursued mutual recognition arrangements for our professionals. I will get my colleagues to speak individually about the FTAs for which they are responsible. It is an important part of our free trade agenda and it is something we are also pursuing in our forward-negotiating agenda.

**Mr Lade**—My section is responsible for the implementation of the Singapore-Australia Free Trade Agreement. Picking up on the points my colleague made, under article 23, chapter 7 of the Singapore-Australia Free Trade Agreement, there is provision for the government to encourage professional bodies in both countries to pursue mutual recognition arrangements. To date one such agreement has already come into effect and that is between CPA Australia and the Institute of Certified Public Accountants of Singapore. That came into effect on 15 May 2004. Other professional bodies in Australia, the engineers and the architects, have been looking at possible mutual recognition arrangements. Discussions on those are continuing. There have been some initial approaches in terms of pharmacy and some in terms of dentistry, but they have not advanced to this stage.

I would make the point that, while our key objective in SAFTA was to advance opportunities for Australians to advance their opportunities in Singapore, obviously the free trade agreements provide for reciprocal benefits and responses, so the mutual recognition arrangements will provide the opportunities for Singaporeans to gain recognition for their skills in Australia. That

was why we thought that, from the SAFTA point of view, there was some relevance to this committee.

**Mr Wojciechowski**—In terms of Thailand, you may recall the correspondence to the committee from the department which outlined the very limited reference to recognition issues in TAFTA. TAFTA establishes a qualification standard for Thai specialty chefs and permits them temporary entry into Australia for up to four years. TAFTA also provides for discussion between relevant professional bodies to establish a standard recognition of Thai qualifications for traditional Thai massage therapists. These are the two specific aspects of TAFTA. Generally speaking, Australia's service offer in TAFTA is pretty much based on our current WTO GATS offer, but the notable exception is the reference to specialist Thai chefs and the traditional Thai massage therapists.

More generally, in the chapter on services—chapter 8 of TAFTA—there is a reference to ongoing work on recognition. Article 806 of the treaty states:

For the purposes of the fulfilment of its standards or criteria for the authorisation, licensing or certification of services suppliers, each Party may recognise the education or experience obtained, requirements met, or licences or certifications granted in the other Party. Such recognition may be based upon an agreement or arrangement between the Parties.

In the same article, a reference is made to both parties encouraging their national bodies to enter recognition discussions:

The Parties shall encourage their relevant competent bodies to enter into negotiations on recognition of qualification requirements, qualification procedures, licensing or registration procedures with a view to the achievement of early outcomes.

You will recall that TAFTA was implemented on 1 January this year. We have only had six months of operation. At this stage, we are not aware of any outcomes that have been entered. In fact, I can say with confidence that there have not been any in terms of recognition, but as an ongoing objective we do encourage our relevant authorising bodies to enter negotiations with their Thai counterparts. With respect to driving this agenda, obviously DFAT are a coordinating agency in the implementation of the agreement, so we are encouraging our colleagues in DIMIA and DEST—DEST in particular—to have discussions with relevant bodies.

**CHAIR**—Is there anything further?

**Ms Witbreuk**—I can speak briefly about the USFTA now, if you like.

**CHAIR**—Senator Kirk has to go, so I will ask her to ask questions and then I will come back to you.

**Ms Witbreuk**—No problem.

**Senator KIRK**—I have some questions in relation to the Singapore-Australia Free Trade Agreement. I am going to focus on law degrees. That is my background, so I am interested in that in particular. I understand that the agreement requires us to recognise law degrees from the National University of Singapore and that that should be sufficient for lawyers to be admitted to

practice in Australia. But I understand that there are also requirements at each of the state and territory levels that need to be met in order for a person to be able to practise in that state or territory. Perhaps you could outline for me how a Singaporean lawyer who comes to Australia would qualify to practise in each of the states.

**Mr Lade**—I think you have answered the question yourself! The requirement is that, while we accept people who have graduated in law from the National University of Singapore, they still have to meet the requirements of each of the state and territory certifying bodies for admission.

**Senator KIRK**—I am just wondering how that sits with the free trade agreement. If a person comes to Australia and they have a degree from the University of Singapore and for some reason they are unable to be admitted, say, in the state of South Australia, is there a sanction under the free trade agreement that would follow from that because in a sense that person has not had recognition of their qualifications?

**Mr Lade**—The details of these issues are handled by the Attorney-General's Department. In very basic terms, because of the free trade agreement people who have graduated from the National University of Singapore have a distinct advantage over someone who, for example, is a graduate from a French law school. At least they have the first requirement. As I understand it, it varies from state to state and territory to territory. But, in general terms, in most cases there would probably be a requirement for them to satisfy that they have done some sort of training in Australian administrative law or constitutional law to satisfy the state and territory requirements. Again, the requirements for them to qualify in Australia are administratively more straightforward than they are in reverse, where Australian trained lawyers are expected to satisfy Singapore's requirements, which take at least a year.

**Senator KIRK**—So you are saying that it really works both ways: that Australian degrees are recognised in Singapore but there are still the local qualifications.

**Mr Lade**—Yes. We are still working on recognition of Australian law degrees in Singapore. We are now up to 10 out of 29 Australian law degrees.

**Senator KIRK**—Of the law schools—okay. You mentioned the University of Singapore. Is that the only institution in Singapore that offers a law degree?

**Mr Lade**—I would have to take that on notice. It is the only one recognised under SAFTA.

**Senator KIRK**—My interest was that this university has been chosen. As you say, we have 29 institutions that offer a law degree and I wonder if there is more than one in Singapore that does so. From what you are saying, the free trade agreement works so that there is recognition of the degrees at the threshold level but there is still the need to meet the requirements in each of the states. I guess it is not really a free trade agreement issue, is it? The fact that the states and territories have different rules for admission at their local level has nothing to do with the free trade agreement.

**Mr Lade**—I think SAFTA has facilitated arrangements if Singaporean lawyers wish to come and work in Australia.

**Senator KIRK**—How does it work under the US free trade agreement?

**Ms Witbreuk**—Under the US free trade agreement we negotiated the formation of a professional services working group. As you probably know, the US professional services are regulated at the state level. Often, for many professions, there will be up to as many as 55 different jurisdictions, all with their own set of requirements. Needless to say, most Australian professionals face an enormous range of barriers accessing those markets. This working group, which is run by the two governments at the federal level, understands that all of this operates at a subfederal level and that a lot of work is being done between professional bodies. This group is designed to draw all that together to improve access arrangements. We are at a very early stage in this. We had one meeting in Washington in June at which we agreed to focus on a couple of professions to start with, just because of the enormity of the work.

**CHAIR**—Can you tell us which ones you focused on?

**Ms Witbreuk**—It is almost as much of a self-selection process from Australian professionals. We are probably—and I say ‘probably’ because the US has to finally agree—going to focus on lawyers, engineers and accountants. We have chosen them, as I said, partly because they are the professions that have been most active in coming to us but also because their respective professional bodies have taken some steps already to developing mutual recognition arrangements between their respective professional bodies. It is just that in the United States that is not sufficient because each of these professions is regulated at state level, and differently at state level. There is no mutual domestic recognition in the United States either.

We will probably be working on it on a profession-by-profession, state-by-state basis, but the importance of this group is that it has the imprimatur of the two federal governments. No other country has managed to do this before. The work is going to be complicated and long, but we have this group that sits under the free trade agreement and has some standing and some status. We have certainly been very active in pushing our market access interests into the United States. But, as my colleague said, to the extent that these are mutual recognition arrangements they will have implications for the recognition of the US service providers.

**Senator KIRK**—You say that it is going to be a long process; I have no doubt. What sort of time frame are you looking at for this working group?

**Ms Witbreuk**—Under the agreement, the committee has an obligation to report to the overarching committee of the free trade agreement, the joint committee, with recommendations in two years. Our ambition is to focus on at least a couple of states within these three professions to see if we cannot at least go some way through the mutual recognition process. As you know, it starts with educational recognition. Then you have licensing and temporary arrangements. There are conduct and ethics requirements. So there are quite a lot of steps to take. We would hope, within that two-year period, to make some significant progress in particular states where we can.

**Senator KIRK**—I will ask in a few years time and see how you are going.

**Ms Witbreuk**—That is right.

**CHAIR**—Ms Witbreuk, do you want to complete what you were starting to tell us about the US free trade agreement? Then we will move to further questions from the members.

**Ms Witbreuk**—Chapter 10 of the US free trade agreement is the chapter on cross-border trade in services. One of our key objectives in the FTA was to improve access for Australian professionals into the very large US market. The negotiation of mutual recognition arrangements, however, is long and time consuming. So those arrangements were not settled into the free trade agreement, but this process, through the professional services working group, was formed with a mandate to look at all aspects of mutual recognition, from education to examination requirements, experience requirements, conduct and ethics, scope and practice—the full gamut of issues. We have been very ambitious with the United States. We have let them know that we want tangible outcomes in the two-year time frame for our first set of recommendations to the committee. As I said, we travelled to Washington.

**CHAIR**—What has the response been?

**Ms Witbreuk**—I think it is fair to say that Australia is probably more ambitious in this area than the United States, not least because, as I said, it is something that is regulated at the US state level and it is enormously complex. The US federal government, for example, has very limited ability to require domestic mutual recognition in the United States. But, that said, as I said we have identified the priorities for our professions and we are already talking directly to states and regulatory bodies in the United States as well as to the US federal government.

**CHAIR**—Is it considered that, if you break into one US state with significant status reasonably well, there will be some sort of a domino effect?

**Ms Witbreuk**—I would like to think so, but I do not think we can count on it. There are some arrangements domestically in the United States where some states recognise other states. They often have a carve-out for foreigners, however. But, to the extent that some states are already thinking about the importance of domestic mutual recognition, we are going to seek to piggyback on that with recognition of Australians. For example, California and New York have an agreement that they recognise each other's engineers without having to do additional licensing, examinations or any of those things. So, if we got an arrangement with California, we would seek that New York recognise that arrangement too. Some states are more forward looking than others in this area and we will be targeting our efforts with those states that have a better leaning towards these recognition arrangements.

**CHAIR**—How much liaison occurs with DIMIA and bodies such as NOOSR and state governments as a prerequisite to negotiating these FTAs for their implications for the skilled migration program?

**Ms Witbreuk**—It is a regular part of our processes. I liaise directly with over 50 various stakeholders at the state government level, with our sister departments and with professional bodies and directly, in some cases, with businesses who have an interest. I last wrote to them, for example, at the beginning of July after our meeting in Washington, updating them on our first meeting. I think once we have agreed with the United States on our priority sectors—and of course they have to offer their priority sectors to us; I suspect they might actually be the same in

the end—we will use our regular coordinating mechanisms in determining our negotiating objectives going forward, including the impact upon domestic arrangements.

**Senator EGGLESTON**—Apart from professional qualifications, do you have any comments about trade skill recognition? Last week some of us attended an inquiry into our relationship with Korea. I noticed in DIMIA's submission that Korea is one of the countries from which we get tradesmen—electricians, plumbers, boilermakers and welders. Are there problems about trade skill recognition from countries in the Asian region as against Europe and North America or the UK?

**Ms Witbreuk**—Our work is limited to negotiations that are mandated in the free trade agreement context. To the extent that we are not negotiating with Korea, for example, that has not come up. I do not know the extent to which these sorts of arrangements will come up in the context of, for example, our free trade agreement with the ASEAN region. We are very early in that process. It is probably too early to say.

**Senator EGGLESTON**—What we can get out of that is that trade skills are not at all part of the free trade agreements that we have at the moment, but they may be part of them in the future. Does that apply to the United States as well?

**Ms Witbreuk**—Arguably, there is no reason why particular trade skills could not be discussed in the context of the Professional Services Working Group. They are not as yet. Our priority at this stage is a process of consultation with our professional services bodies and where people have been most active, but I certainly would not preclude it.

**Senator EGGLESTON**—It is quite relevant because we have such an enormous deficit in trade skills at the moment with big projects like the North West Shelf development and so on in Western Australia.

**Senator PARRY**—Throughout the submission there is reference to competent bodies, the working group on professional services and professional bodies. In the three agreements the terminology differs, but I will use the term 'competent bodies'. Who has the final say as to which body would be recognised as the competent body? Is it the department?

**Ms Witbreuk**—No.

**Senator PARRY**—If you have competing organisations saying, 'We're the most competent body,' or 'We're the peak association,' who would make that decision?

**Mr Lade**—In the case of SAFTA, I think we left it to individual bodies to negotiate reciprocal arrangements. So the first such MRA that has been concluded was between CPA and its Singapore counterpart. I believe that there is another body in Australia that represents accountants and it does not preclude them from separately seeking an MRA as well.

**Ms Witbreuk**—In the case of the United States, two different accounting bodies have their own mutual recognition arrangements at the professional body level with the United States.

**Senator PARRY**—Is that unwieldy or is it working okay in these early stages?



**Ms Witbreuk**—From their perspective, it works okay. Where we get involved is where those arrangements between professional bodies only take you a certain step down the road. Then the next step is at the state government level in the United States, where an extra layer of regulation is there on top of that mutual. In a sense, that impedes the access that was designed to be created by the initial mutual recognition arrangement. Those are the sorts of things that we are focusing on—that next step, if you like.

**Mr Lade**—I think the agreement encourages professional bodies to conclude mutual recognition arrangements. As a government, we have sought to approach the professional bodies and draw their attention to these provisions within SAFTA. We keep in touch with them and we provide advice but, basically, the actual negotiation of the MRAs is the responsibility of the professional bodies themselves.

**Senator PARRY**—So if there is no negotiation, if two groups do not come together, we just do not have that mutual recognition. It is as simple as that.

**Mr Lade**—That is correct.

**Ms Witbreuk**—The professions have to be interested in it; otherwise there is not a lot of point.

**Senator PARRY**—So that is, if you like, a safety check. If the particular body does not agree to meet or have any mutual discussion, it is all over as far as that particular profession or occupation is concerned.

**Mr Lade**—If I could use a SAFTA example again, in the case of pharmacy the Singaporean pharmaceutical body approached ours and, while our pharmacy government body—whose name does not occur to me off the top of my head—were not averse to the idea, they felt they wanted more time to consider it carefully. So negotiations have not actually commenced there but this is an indication of the processes that are gone through.

**Senator PARRY**—Finally, do you think this is going to inhibit the process, by not having some form of mandatory regime where groups are compelled to at least hold discussions?

**Mr Lade**—It is an encouraging process. We, of course, will continue to keep in touch with them and if the Singapore pharmacy board equivalent indicate to their government that they regard it as a high priority, the Singaporean government will draw that to our attention. We will then follow it up again with the Australian pharmacy board. It is something that the professional boards themselves have to take responsibility for.

**Senator EGGLESTON**—I have another question about law. I suppose the basis of recognition has to be that Singapore is a common-law jurisdiction. I am curious as to why they have only recognised a limited number of our law degrees. What is the basis for that? After all, it is a similar basic system.

**Mr Lade**—I think, essentially, Singapore, being a fairly small country, has a fairly large number of lawyers already recognised to practise in Singapore. There were some concerns, which they indicated to us in the negotiating phase, that rapid opening up to recognition of all

Australian law degrees might encourage increased numbers of Singaporeans wanting to be recognised as lawyers in Singapore. We do not accept that line of argument because we think the market forces will determine how many lawyers will be accepted to work in Singapore, and we believe that people should be given the freedom of choice as to which university they study at in Australia. So we continue to push for recognition for the remaining 19 Australian law courses. When we started negotiating SAFTA, only four Australian law degrees were recognised. In the course of the SAFTA negotiations we gained an additional four and with the first ministerial review we gained acceptance of an additional two. When the next review takes place, in the middle of next year, we will again be pushing for recognition for a further number of Australian law courses.

**Senator EGGLESTON**—Can I just take you back to the beginning of what you said. Are you suggesting that their restriction is based on the possibility of Singaporean people coming to study law in Australia and then going back to Singapore to practice, rather than Australian lawyers wanting to go and live in Singapore?

**Mr Lade**—That is correct.

**Senator EGGLESTON**—Okay. That is interesting.

**Mr Lade**—There are other factors relating to Australian lawyers, and SAFTA provided arrangements for joint law ventures which set down conditions for Australian lawyers wishing to practice in Singapore. But, for the purposes of this inquiry, I think it is the other way.

**CHAIR**—I have a final few questions. At what stage is the establishment of a working group on professional services with the US? Have they met, and can you tell us about the areas of interest?

**Ms Witbreuk**—We have met once. That was in June in Washington. We have requested to the United States that we meet again before the end of this year and at least twice more before we have to give recommendations. That is in addition to the email communication that we have between their negotiators and myself.

**CHAIR**—The final part of my question was whether you could tell us about the areas of interest.

**Ms Witbreuk**—We are very open. As I said, through a process of self-selection, if you like, from our professional bodies, we have settled on law, engineering and accounting as the first three areas where we will focus our attention, but we have a very open mind as to anything else. In fact, when we are in the United States, the US medical professions are quite interested in the work of this group. It goes without saying that that is going to be an exceedingly complex area of work, just because it is in the medical area, but we are happy to consider requests from the US medical professions about improved access both ways.

**CHAIR**—It might not even be relevant, but the US have an oversupply of medical professionals, don't they?

**Ms Witbreuk**—I did not get that impression. I think doctors would just like to be able to have the flexibility to practise their profession and have those skills recognised. We met a number of doctors in Chicago when we were there in June and some of them are actually licensed to practise in both the US and Australia and would like that to be broader.

**CHAIR**—Finally, do you have any suggestions on how to improve the communication and efficiency of processes to users, as you mention on page 2 of your submission?

**Mr Lade**—Again using the SAFTA example, we have sought to contact professional bodies in Australia. We seek to maintain regular contact with them. As my colleague Ms Witbreuk indicated earlier, we also have mechanisms for regular consultations with all industry groups, not just professional bodies, as well as with state and territory governments. There are formalised mechanisms for such consultations. We will be preparing for the second ministerial review of SAFTA, as I mentioned, which is due in the middle of next year. In that context we will be inviting professional bodies to look again at where they are at with their negotiations, but we keep in regular touch with them. In fact, we met with the Institution of Engineers about three weeks ago and got an update on where they are at with their negotiations.

**Ms Witbreuk**—I would endorse that. We have a thorough level of consultation with a range of groups. Particularly in the legal, engineering and accounting sectors the communication has been quite intense. For example, we just presented the US a paper of our key priorities in each of those sectors in the States, and that could not have been prepared without their very active participation. We envisage that that will proceed going forward; it has to.

**CHAIR**—I would like to thank the representatives from the Department of Foreign Affairs and Trade for appearing before the committee today. The secretariat will send you a copy of the transcript for any corrections that you may need to make. I would be grateful if you could also send the secretariat any additional material that you have undertaken to provide as soon as possible.

**Proceedings suspended from 10.48 am to 11.08 am**

**CONNELL, Ms Jenet, Group Manager, Workplace Relations Services, Department of Employment and Workplace Relations**

**JAMONTS, Mr Andried, Director, Trades Recognition Australia, Department of Employment and Workplace Relations**

**KIBBLE, Mr Steve, Assistant Secretary, Workplace Services Branch, Department of Employment and Workplace Relations**

**NEVILLE, Mr Ivan, Assistant Secretary, Labour Supply and Skills Branch, Department of Employment and Workplace Relations**

**PRESS, Ms Jane, Director, Migration Policy and Analysis Section, Department of Employment and Workplace Relations**

**CHAIR**—Welcome to this public hearing of the inquiry on overseas skills recognition, upgrading and licensing. Although the committee does not require you to give evidence under oath, I would advise you that the hearings are legal proceedings of the parliament and warrant the same respect as the proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. The committee has received your submission and it has been authorised for publication. I would invite you to make a brief opening statement if you wish before we proceed to questions.

**Ms Connell**—I would like to highlight the key points and conclusions from our submission. In relation to migration, the department's key interests are the labour market implications of migration arrangements. This includes the labour market experience of migrants and the implications of migration on economic, demographic and labour market outcomes over the short and longer term. The department recognises the contribution of temporary and permanent migration to the Australian economy and its labour market. In the increasingly competitive international market for highly skilled migrants, the analysis shows that Australia's skills recognition and processing arrangements compare favourably with those of other countries such as Canada and New Zealand.

While there is a need for flexibility in skills recognition and processing arrangements, it is equally important that the skill level of temporary and permanent migrants to Australia is maintained, as it is the skilled migrants who perform better in the labour market and contribute more to the Australian economy. Similarly it is important to ensure that migrants entering Australia are subject to a skills assessment process of qualifications and work experience that better allow them to satisfy Australian licensing requirements.

The department also plays a direct role in the skilled migration program in assessing the trades skills of potential migrants through Trade Recognition Australia, TRA. TRA's primary aim for the 2005-06 financial year is to assist skilled migrants to enter Australia as quickly as possible, particularly in occupations where skill shortages exist. The re-engineering of TRA's international business processes in 2004 produced a strong foundation for continued performance

improvements. Processing times have been significantly reduced, while a high standard of audit and fraud control has been maintained.

Our submission highlights the way in which the department has responded to recent Australian government initiatives to ensure that the increase in the skilled stream in the 2005-06 migration program is targeted to meet the skill shortages in the Australian labour market. The department's submission also identifies areas where changes could lead to further improvements in the effectiveness of these arrangements. Further to those measures, initiatives to improve the interaction of the skills recognition and licensing arrangements are currently being explored with state governments as part of the COAG review of the vocational education and training system.

In summary, the department considers that, overall, Australia's skills recognition arrangements, particularly as they relate to the assessment of overseas trade qualifications and work experience, work well. The suggested improvements to the policies and processing arrangements outlined in our submission should further enhance the capacity of our skilled migration arrangements to respond flexibly to changing labour market conditions and circumstances.

**CHAIR**—Thank you very much. In your submission you have talked about coordination with the states in terms of recognition of qualifications and COAG. How is that progressing? Given the fact that there is a great belief, rightly or wrongly, that the recognition at the moment is a bit like Australian train tracks of some years ago where there are individual state requirements which do not necessarily harmoniously operate in the national interest or at a national level, what sort of progress are you making and what sort of impediment the individual state jurisdictions are offering?

**Ms Connell**—The process, as I understand it, has just commenced, but there has been some ground work done. Mr Kibble, who sits on the working group, can perhaps give an update on the last week or so.

**Mr Kibble**—As you know, in June COAG established a joint Commonwealth-state working party to look at a whole range of issues in the vocational education and training system and the apprenticeship system. They are required to report back to COAG in December this year with, perhaps, a view to COAG considering the report in the meeting early next year. There is a range of working subgroups underneath the overall working group. We are particularly involved in relation to the skills working group, which involves the Commonwealth and the states. It is looking at a range of issues, in particular the recognition of overseas qualifications. It is also looking at mutual recognition of the different licensing arrangements between the states. There have been productive discussions between the Commonwealth and the states about more streamlined and better aligned arrangements for skills recognition and licensing arrangements. We are looking at concrete proposals right now in terms of recommendations to go to COAG. The skills working group is not directly involved but we are feeding into the COAG process on mutual recognition. We are looking at any barriers that might exist for the movement of licensed tradespeople between the states and making sure those processes are aligned as well.

**CHAIR**—Forgive me for being cynical but there seem to be a lot of meetings and bureaucratic involvement. What is the body language about the potential success of these meetings?

**Mr Kibble**—I think there is a clear imprimatur from the premiers and the Prime Minister at COAG that we need concrete proposals and not just a talkfest. We want concrete proposals to fix any identified problems. Certainly, in the skills working group, it is clear that we need to come up with workable proposals that can improve the situation in terms of getting potential migrants into the work force as quickly as possible.

**CHAIR**—Given the fact that we can barely get the same starting age for schoolchildren around Australia, we hope that your optimism will bear fruit.

**Senator KIRK**—I notice that in the 2005-06 migration program the minister announced that DIMIA would be working with your department and also DEST and state and territory governments to establish a national web portal on Australia's skills assessment. I understand that work has commenced on this portal. Is that correct? Could someone inform me as to where that is at.

**Mr Jamonts**—I have participated in preliminary meetings on our role in that. DIMIA is taking the lead in those aspects. In recent times I have not been to another meeting, but it is understood that it is on its pathway and that a lot of work is required. I understand that letters have been written out to the states inviting them to participate because part of the success of the portal is their association in the context of all the right links on the internet and things like that.

**Senator KIRK**—So your department is not taking a central role, it is DIMIA.

**Mr Jamonts**—It is DIMIA that is leading.

**Senator KIRK**—What is your involvement, then? Is it attending meetings? What input is required from Workplace Relations?

**Mr Jamonts**—We have been asked to offer up our scope of interface for our clients through the medium of recognition that we provide as well as pathways we can direct people towards for licensing. In essence, the documentation we present to our successful applicants abroad provides the nucleus of that information insofar as contact points and parties to discussions associated with other aspects of the broader scope for the inclusion of the recognition of bodies, authorities and licensing and industry arrangements that exist nationally.

**Mr Kibble**—DIMIA, in its submission to this committee, indicated that the work on the portal was expected to be completed in early 2006. There has been nothing to say that it will not be finished at that stage.

**Senator KIRK**—So your contribution is through TRA?

**Mr Kibble**—Yes, primarily.

**CHAIR**—Before you continue, Senator Kirk, I ask that a bit further down the track, maybe early in 2006, that you give us your feedback on how the portal is progressing.

**Mr Kibble**—Yes.

**Mr LAURIE FERGUSON**—Without disputing the emphasis of the chair earlier with regard to state licensing differentiation, anecdotally I have heard that we have a just as big, if not more important, problem with regard to employers demanding local experience and having regard to cultural issues. Half the reason we see people doing jobs outside the occupation they are accepted on is the Australian experience being demanded by employers. What is your response to that?

**Mr Neville**—Obviously, migration is part of the solution in addressing the shortages and the labour supply issues that exist in Australia at the moment, but as a department we are also looking at what needs to be done locally to assist local job seekers to fill the positions that are on offer. As you would be aware, under the working age reform initiatives certain client groups have been established and the department is putting great emphasis on trying to assist people in some of those client groups to take up the vacancies that exist. So it is not all about migration; it has to be a combination of migration and local solutions.

**Mr LAURIE FERGUSON**—I have one other point. There have been extreme cases such as a child dying in Westmead Hospital because two doctors there were not too good at English. There has been an emphasis in recent years on English as a factor in the skills category. Putting aside those extreme examples, do you think we ever lose anything in that process? Obviously there is a correlation between English skills and employability in the work force, but have we lost anything in regard to skills intake by the emphasis on English in recent years? People are quite capable and could fit into certain occupations but they are being denied because of English levels.

**Ms Press**—A lot of occupations identified by DEWR as in national skill shortage are in occupations for which registration and licensing apply. Normally the principal applicants for those occupations have to satisfy minimum English requirements at the vocational proficiency level; the tests that are applied are at a much lower level than native proficiency. There would be implications if we did not have those tests in place. There are also occupational health and safety reasons we would want to maintain them.

**Senator EGGLESTON**—I am interested in the issue of trade occupations, which is very relevant in Western Australia at the moment with all these developments in the north-west where they are looking for skilled tradesmen like electricians, welders, plumbers, boilermakers and so on. I see that you have this Australian qualification and training framework body and that now the number of international applicants far outweighs the number of domestic applicants for recognition. Your major source countries are the UK, India, Australia, China, South Africa and the Republic of Korea—which is interesting for another reason. What does this body do?

I know that in medicine, for example, anybody from anywhere with a medical qualification can come to Australia and take the Australian Medical Council exam, which qualifies them to practise in Australia. In America they have the ECFMG exam, the Education Council for Foreign Medical Graduates, which similarly gives people the right to work in American hospitals. Does this Australian qualification and training framework, AQTF, assess overseas trade qualifications and then give people some sort of certificate which enables them to work in Australia?

**Mr Kibble**—I might just clarify something here. Trades Recognition Australia, TRA, offers two streams of skills assessment. We are a skills assessing authority appointed by the minister

for immigration; we assess skills in 170 trade occupations in the pre-migration assessment. So if somebody in one of the 170 trade occupations wants to come to Australia under the skilled migration program, they need to come through TRA and get a positive assessment, for migration purposes, that they satisfy our requirements, be they a plumber or an electrician or whatever.

Separately, in the domestic stream, we offer skills assessments as part of the awarding of something called an Australian Recognised Trade Certificate, which is done under legislation administered within our portfolio. Those trade certificates are issued in only the electrical and metal trades, and they are issued by tripartite statutory committees. They are widely accepted by licensing bodies and employers and are equivalent to an Australian trade certificate. The ARTC is commonly applied for by people who have not come through the Australian apprenticeship system. That could include people who got their trade skills through work experience, working next to a tradesperson for some years; migrants, who have got their qualifications or experience overseas; or people who have come through the armed forces—that is why it was originally set up.

The Australian Quality Training Framework, AQTF, is part of the national training framework. It is a competency based arrangement established in the 1990s. TRA does not operate that. We certainly recognise those qualifications that people can achieve, be they migrants or Australians. People go and do training courses under the Australian Quality Training Framework, but TRA does not actually operate that framework. I hope that clarifies matters for you.

**Senator EGGLESTON**—It does a little bit. I am trying to work out where that fits in to this submission. Tell me about what happens, for example, to an electrician from the UK or India who wants to come and work in Australia. How does he go about getting his trade qualifications recognised?

**Mr Kibble**—I will add one further thing to my previous answer, just to clarify things. Some of the people are temporary residents; so overseas people will come to Australia and undertake these AQF courses under temporary visas issued by DIMIA, and we see some of those people in our international stream. They apply while they are actually here: they are temporary residents of Australia; they do a course while they are in Australia and apply while they are in Australia and, if they are successful, then they apply for a permanent visa.

In terms of an electrician from Britain, if they want to apply under the skilled stream of the general skilled stream they would apply to TRA in the first instance and try to demonstrate the fact that they have skills and work experience which are equivalent to those of an Australian tradesperson. They can do that offshore. TRA would assess their claim. They can base that on whether they have got a trade qualification from Britain or whether they have got six years work experience, for example, in Britain, or they have done an AQF in Australia. So there is a range of pathways through which they can be assessed by us. If they are successful, they then apply to DIMIA and go through the normal DIMIA visa process. Then they would come to Australia. They could work as an electrician. If they needed to do licensed work, then currently they would need to go to a state government and be licensed under the state legislation as an electrical licensed person.

**Senator EGGLESTON**—In your submission it says:



The qualification for a trade under the AQTF is usually at the Australian Qualification Framework (AQF) level III and in some cases the AQF level IV. These qualification levels also apply to other occupations, and the qualification itself does not make an occupation a trade nor does it necessarily demonstrate trade-level job readiness.

But it must give some sort of status to the person's qualifications.

**Mr Kibble**—Absolutely. If a person has completed an AQF level III, that is certainly very strong evidence required by TRA to approve their application.

**Senator EGGLESTON**—Getting down to real-world stuff, how difficult is this whole process for an electrician from the UK or India to get on the ground, working as an electrician in Melbourne, Perth or the Pilbara?

**CHAIR**—It is the practical effect.

**Senator EGGLESTON**—Yes.

**Mr Kibble**—This goes to issues raised in the COAG process as well. Obviously we are trying to get a skilled tradesperson to Australia and exercising the full range of their skills as quickly as possible.

**Ms Connell**—From TRA's perspective, we are currently processing the sort of application that you alluded to as an example in five to 10 days.

**Senator EGGLESTON**—That is quite quick.

**Ms Connell**—So for our pre-migration process, our processing times are quite efficient. They then need to obviously apply for formal migration once they have been through that process, then apply to work in the jurisdiction of their choice and apply for any licensing that might be required as a result of that.

**Senator EGGLESTON**—And the fact that you have recognised their qualification makes it easier for whatever the state based registration board is to approve their qualification?

**Ms Connell**—Yes, it has some standing. But in the example of electrical tradespeople, with obvious occupational health and safety implications, the licensing requirements may be on top of that. That is something that we are working on with the states, as Mr Kibble has said.

**Senator EGGLESTON**—How big are those problems that you are working on? Are they able to be overcome—

**Ms Connell**—We like to think so.

**Senator EGGLESTON**—or are they formidable?

**Mr Kibble**—There are some practical issues, given the fact that they are over there and we are here, in a sense. There are issues, but they are some of the issues that we are working through with the state governments right now and looking for concrete improvements on.

**Senator EGGLESTON**—Does that mean it is going to be sped up in the reasonably short-term future?

**Mr Kibble**—Yes. It is certainly the aim of all states and the Commonwealth to get that skilled person here and into a job as quickly as possible. We are looking for job-ready people that can exercise the full range of their skills as quickly as possible.

**Ms Connell**—I think the short time frame applied by COAG for pragmatic solutions is an example of that. The department is working very closely with DIMIA, DEST and others to find those pragmatic solutions, because the net benefit is obviously of interest to all.

**CHAIR**—Following on from that, could you tell us what could be done to make it even more streamlined and efficient? Are there any impediments? That is what this inquiry is inquiring into. Are there any outstanding impediments to seeing even more rapid and efficient recognition?

**Ms Connell**—Certainly from TRA's perspective we are continuing to improve our processes to get the processing times down as much as possible. We currently have some stock on hand that we are working through. Matching the resources to the demand is always a challenge. So there are things we can continue to do through TRA. One area that is obviously the focus of COAG and Mr Kibble's working group is bringing the requirements of state licensing and the TRA requirements closer together. We are undertaking some pilot exercises—I think the one in South Australia is the most relevant one at the moment—to look at the requirements for TRA and to look at the state requirements, seeing whether they can be brought together so that there are fewer hoops, if you like, for migrants to have to go through and bring them closer to being work ready more quickly. So there are opportunities for the states and the Commonwealth to work a lot more closely together—to have a single process or at least a very streamlined process. We are confident that we will find some avenues for doing that.

**Senator KIRK**—How long is that South Australian based pilot process going to go on for?

**Mr Kibble**—We have had initial discussions. I think it is going to be wrapped up into the COAG process as well. The pilot commenced in June. We are trying to identify areas of alignment and areas of overlap where we can perform some of the skills recognition and other requirements that they are looking for. If we can put those into our processes as well it will improve turnaround times.

**Senator KIRK**—I am trying to understand how that works practically. Is it just a matter of communication between the Commonwealth body and the relevant state authority?

**Ms Connell**—It may well be. If the licensing, for example, requires some sort of written assessment of a certain skill which is currently not part of the TRA assessment process, that may be an area. TRA is paper based, necessarily, because the applicants are offshore—I am talking about the international stream. We would be looking at supplementing the TRA assessing with any state based paper assessment so that they do not have to go through that process a second time.

**Senator KIRK**—And you have differences across the states as well.

**Ms Connell**—Yes. The lack of mutual recognition presents some interesting challenges. Again, we will be focusing on that and at least highlighting the areas that need to be addressed.

**Senator KIRK**—It is not really something that is within your control, is it?

**Ms Connell**—Not directly, no.

**Mr Kibble**—As I mentioned before, it is certainly on the COAG agenda.

**Senator KIRK**—Amongst other things.

**Mr Kibble**—Yes.

**Senator KIRK**—It is a huge agenda. It is a matter of prioritising. I have some questions in relation to these various lists that are spoken of. There is the skilled occupations list, SOL, and the migration occupations in demand list, MODL. What role does your department play in contributing to any changes that might be necessary to those lists?

**Mr Neville**—DEWR plays a very significant role in terms of the occupations that are gazetted for inclusion on the migration occupations in demand list. The occupations that ultimately are added to that list, or that are gazetted by DIMIA to be included on that list, come very much out of the skills shortage research work that is undertaken within DEWR. In very simple and general terms, what we are doing as part of our skills shortage research work is, amongst other things, talking to employers who have recently advertised to fill vacancies for a selected number of occupations. We do not look at all occupations. There are certain criteria that we do look at—for instance, we only examine occupations where there are 1,500 people working in the occupation. We are obviously trying to restrict the work that we have to do. If there are occupations with only very small numbers we have some concerns about including them in our skills shortage research.

We talk with employers who have recently advertised to get some feel from them as to the difficulties they have had in filling those vacancies. We are doing this across Australia, across a broad range of occupations. We then look at other issues relating to the labour market, whether the occupation has been in persistent shortage and what the future of that occupation might be in the next two or three years. We want to ensure that there is going to be sufficient and ongoing demand for people to work in those occupations. Ultimately, we come up with a list of occupations from the ones that we have examined as part of our research. As I said, it is not a complete coverage. We come up with a list of occupations that we deem to have a shortage. Once all our assessment has been completed, we then provide that information to the department of immigration for inclusion on the migration occupations in demand list.

I should also add that as a result of a recent cabinet decision the skills shortage research work will now be undertaken on a six-monthly basis; it used to be undertaken on an annual basis. So we are trying to be more responsive in terms of the work that we are doing with that list. I might also add that we are now undertaking to engage more with industry about their views on occupations that are in shortage.

**Senator KIRK**—Did you get additional resources to undertake the research twice as often?

**Mr Neville**—Yes, we did get additional resources.

**Senator KIRK**—That was fortunate. You said that you contact employers who have advertised, just to get a feel for what is happening. I understand that that research is quite qualitative. Does it consist of interviews and the like?

**Mr Neville**—We actually ring them up and ask them this sort of thing: ‘You’ve advertised this position; were you able to fill it?’ It is qualitative to the extent that these lists do not come up with an estimate, for instance, of the number of accountants, doctors or whatever occupation is in shortage. The reason we cannot come up with a definitive number is that we are not talking to every employer who has recently advertised. We do not have the sample to enable us to generate exact numbers of occupations that might be in shortage. It is qualitative to the extent that we are getting a view from employers about the difficulties they have faced in filling vacancies, but we are talking to quite a number of employers across the country to get that information by occupation. This is a process that has been in place for a considerable number of years and it has been refined a little bit over the years. I think it is a process that is functioning pretty satisfactorily.

**Senator KIRK**—How do you choose the industry in the first place? I am just trying to understand. You must be flicking through advertisements and seeing that there are quite a lot of advertisements in a particular area.

**Mr Neville**—Initially we come up with a list of occupations that we are going to cover. As I said, we cannot cover all occupations.

**Senator KIRK**—How do you choose them in the first place?

**Ms Press**—A lot of it is based on eligibility for migration to Australia. If you look at the skilled occupations list you find that it is limited to what we call 40-point, 50-point and 60-point skilled occupations. Therefore that is the first subset we have to look at. Because the modal is limited to the highly skilled occupations within that, that further refines it. Then we go to the 1,500. So you then get a group of occupations that we base the research on.

**Senator KIRK**—I understand.

**Mr Neville**—The list that we examine for our 2005-06 program has been established with, and agreed to by, a number of other agencies. We are not just working in isolation. An interdepartmental working group consisting of DEWR, DEST, DIMIA and PM&C has been working on the occupations to be covered as part of our 2005-06 program.

**Senator KIRK**—Do you consult with these other departments as part of the formal process?

**Mr Neville**—We have had a formal working group in place for several months examining our methodology and the occupations that we will be covering.

**Senator KIRK**—Is this consultation with the working group a new development?

**Mr Neville**—It basically came out of the cabinet decisions relating to our skills shortage research. One of the recommendations from that cabinet decision was that the skills shortage research be undertaken six-monthly and that there be a review of our methodology. So, given that and given the association that these other agencies have with this issue, we thought it prudent to consult with them.

**CHAIR**—Anecdotally, what are the standout shortages that you have identified already? You said that you look up the job advertisements; I suspect that, given the growth of advertising on the internet, you include that as well.

**Mr Neville**—Obviously we do not restrict ourselves to newspapers. We have access to online sites that we now refer to. With regard to the first part of your question, there is a wide range of occupations that we have identified a shortage in. We are restricting ourselves to professionals, trades and ICT occupations. We do not as a matter of course examine shortages in unskilled occupations, so we are looking at the higher end of the occupations, but there are clearly a lot of trades occupations with shortages that have had shortages for quite some time.

**CHAIR**—Humour us and give us a couple.

**Ms Press**—I think they are in the back of the submission.

**Mr Neville**—From memory, plumbers—

**Ms Press**—Which ones would you like? The ones which are currently on the MODL?

**CHAIR**—The stand-outs, as I have said.

**Ms Press**—Professionals or trades?

**CHAIR**—A couple from each.

**Ms Press**—With regard to professionals, accountants, dentists, civil engineers, medical practitioners and specialists, and a range of allied health professionals. In the trades and associate professionals, we have chefs, automotive electricians, electrical powerlines tradespeople and hairdressers.

**CHAIR**—That will be good for the apprenticeships side of things.

**Senator EGGLESTON**—There is a real trades shortage in the Pilbara in Western Australia. There are some huge projects getting under way there, but they are not mentioned on that list.

**Ms Press**—That is not the complete list that I read out then. We can easily forward that over to you if you like.

**Senator EGGLESTON**—If you would, I would be very interested.

**Mr Neville**—I also add that, as part of the skills shortage research work for the professionals that we have recently completed—and the occupations are going through their final

assessment—we did place a fair amount of emphasis on the mining industry because of the sorts of issues that you have raised.

**Senator EGGLESTON**—If you have more data on that, I would be very interested.

**CHAIR**—To be quite honest with you, I think we would all be interested. If you could give the committee secretariat a copy of that list, we would appreciate it. It is not confidential, is it?

**Ms Press**—No, it is being gazetted by the minister for immigration. The other thing is that a lot of those skills shortages can be addressed through employer sponsored arrangements, which are not influenced by this MODL at all.

**Senator PARRY**—I did not have any questions until we got onto the MODL. It is interesting to me. You mentioned civil engineers. I am using a list here provided by DIMIA. That does not have civil engineers on it. Are there two lists? I am looking at the MODL, the migration occupations in demand list, with the ASCO codes.

**Ms Press**—What was the date of that list?

**Senator PARRY**—I cannot tell you that. It forms part of exhibit 17 in our papers. Obviously, the list is very fluid then. Is it changed on a daily or a weekly basis?

**Ms Press**—No. As Ivan has just said, the list will be updated on a six monthly basis from now on. As I understand it, it was most recently gazetted on 4 May this year.

**Senator PARRY**—That aside, I will follow on from Senator Eggleston. I have just had a couple of days with the mining industry.

**Mr Neville**—That would certainly not be a complete list of the occupations on the migration occupations in demand list. Perhaps the best thing is if we forward through the complete list of occupations.

**Senator PARRY**—I have had meetings in the last two weeks with the mining and maritime industries. They have indicated that there is a serious shortage in middle- to senior-level officers in the maritime industry and a shortage in underground engineering in mining. Would that be because they fall below the 1,500 threshold? You said that you looked at occupations with over 1,500 employees.

**Mr Neville**—That is a possibility. We obviously do not have access to that information. I add that we have had some fairly detailed discussions with various groups in the mining industry, including the Institute of Mining and Metallurgy, to discuss the issue of skills shortages and how we might work more closely to at least identify some of the shortages that they know about anecdotally.

**CHAIR**—Have you been talking to the state chambers of commerce et cetera?

**Mr Neville**—In terms of mining, by way of example I met last Friday with the Australasian Institute of Mining and Metallurgy to discuss the identification of skills shortages as part of our

skills shortage research. We are looking at how we might start identifying more thoroughly the shortages that may exist in those industries.

**CHAIR**—Do you mean the Minerals Council and other bodies like that?

**Mr Neville**—Yes.

**Senator PARRY**—I would like to follow up on that. Do you just take information from an industry? For example—and I do not know enough about any of these industries—there seem to be enough hairdressers. I am probably not the best person to be using an example of getting a hair cut, but there seems to be a plentiful supply of hairdressers. But we are short in other areas, in particular in some of those identified areas in the metal trades. Do you just take information from an industry association and say, ‘That is correct’? What is the veracity of your intelligence?

**Ms Press**—As Ivan said, the process which underpins the MODL is quite extensive. It starts out with identifying skills in demand—our skills shortage research. We look at whether there is a national shortage to begin with. That might be the more qualitative side of the research, but then additional research is undertaken on some other variables. They include things like the total employment levels, where we have the threshold of 1,500. Then we look at employment growth in a particular occupation. Then we look at the job prospects, which is done on the basis of some Monash modelling. Then we look at the persistence of skills shortages to make sure that the MODL focuses on occupations in which there is a national shortage and for which there are good employment prospects for migrants, given that there are often lags between those two things.

**Senator PARRY**—How would the mining industry, as an example, have slipped through the radar in the past?

**Ms Press**—To an extent, it might have reflected some volatility in the industry over time.

**Senator PARRY**—Okay, good.

**Mr Neville**—Clearly, we are all aware of the mining boom that has been occurring over the last couple of years. There is also the issue of the size of the occupation—some of these occupations are very specialised and may or may not be very small. In my meeting last week with the Australasian Institute of Mining and Metallurgy, one of the points made was that quite often in the mining industry vacancies are not actually advertised. That is also having an impact on our ability to talk with employers who have recently advertised, and they may not have advertised for positions because they believe they are not going to fill them anyway. That is the sort of issue that we are now trying to address with groups like the institute to overcome the problem and identify how we might better incorporate those sorts of issues into our skills shortage research.

**CHAIR**—Senator Eggleston will probably bear me out: it was reported in the Western Australian media that some mines in the north-west of Western Australia have decided not to proceed because they cannot locate a sufficient number of skilled workers. That is correct, isn’t it?

**Senator EGGLESTON**—Yes.

**CHAIR**—So they might be under the radar, because they have not even started up.

**Senator EGGLESTON**—There is that big Gorgon development going ahead too, probably. It will need a lot of boilermakers, welders and plumbers.

**Ms Press**—That is where the employer sponsored arrangements, which are different from the general skilled migration arrangements, come into play.

**Senator EGGLESTON**—Yes, I know that.

**CHAIR**—This is my final question. According to page 10 of your submission, TRA charges fees for service in both the international and domestic streams, with international applicants charged \$300 for a standard application, \$500 for a priority application and \$300 for a review application, and domestic applicants charged from \$100 to \$300. You also say that the fee structure is under review. Could the department expand a little on the existing fee structure and the reasons behind this review?

**Ms Connell**—The cost structure for TRA is reviewed quite regularly. We follow the government's cost recovery guidelines, of course, so it is important that the cost of delivering the services is as close to the revenue that is raised through that process as possible. With our management board, we are currently reviewing the existing cost structures, as you read out from our submission, to ensure that the cost recovery alignment is maintained.

**CHAIR**—So there is no other reason?

**Ms Connell**—No. It is about cost recovery and balancing that with the cost of delivering the service against the revenue that is generated through the service.

**CHAIR**—I thank the representatives from DEWR for attending this hearing today.

Resolved (on motion by **Senator Kirk**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

**Committee adjourned at 11.56 am**