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**Additional questions in writing: Department of Immigration and Multicultural Affairs**

1. Witnesses have commented that there is a lag in publication of the MODL by DIMA in terms of matching peak industry demand so that the list can be 6-12 months out of date. We note that the MODL is now published every six months and that DEWR advise DIMA on what occupations are in shortage and should be placed on the MODL, but could you respond to this comment from DIMA's perspective?
  - It has also been suggested that there needs to be a more detailed subspecialty set of classifications on the MODL so as to be more responsive to skills in short supply—that the ASCO occupation titles no longer reflect the current titles used by industry. Could you also comment on this suggestion?

Answer: The Migration Occupations in Demand List (MODL) is reviewed twice a year (ie every six months) to take into consideration existing and emerging skill shortages. The MODL includes occupations and specialisations identified by the Department of Employment and Workplace Relations (DEWR) as being in ongoing national shortage. The underlining principle of the MODL is that only occupations or specialisations that are in widespread, persistent and ongoing shortage are targeted.

As the Government's labour market adviser, DEWR completes extensive surveys of occupations in national shortage in the Australian labour market. When constructing the MODL, DEWR takes into consideration variables including analysis of current skill shortages and the number of people currently employed in MODL occupations, 2 and 5 year employment growth forecasts, the Skilled Vacancy Index as well as long range employment forecasting undertaken by Monash University. Occupations identified through this research as being in "national demand" are then subject to further labour market analysis, including the size of local employment for the occupation and the average annual unemployment rate for the occupation relative to the average annual unemployment rate. This analysis is critical to ensure the sustained longer-term employment prospects for specialisations.

Employers experiencing difficulty in recruiting persons with subspecialty skills have the option of accessing a range of employer-sponsored temporary and permanent migration arrangements. These employer-sponsored arrangements are more likely to result in the recruitment of persons with the subspecialty skills required by an employer than the GSM.

Based on the advice of the Minister for Employment and Workplace Relations, the MODL is gazetted by the Minister for Immigration and Multicultural Affairs within 28 days of notification.

The Australian Standard Classification of Occupations (ASCO), prepared by the Australian Bureau of Statistics (ABS) is currently the definitive guide to occupations in Australia as. As part of the Government's ongoing commitment to improvement, the ASCO is currently under review by the ABS and Statistics New Zealand. Extensive consultations have occurred with key stakeholders in Australia and New Zealand to inform stakeholders of progress and seek their views on key issues affecting the overall design, structure and model of ANZSCO - a skill-based classification used to classify all current occupations and jobs in the Australian and New Zealand labour markets.

2. At the previous hearing, you commented that the Longitudinal Survey of Immigrants to Australia had confirmed that, while employment rates and real income levels of recent skilled migrants had improved significantly compared to those of earlier cohorts in the same categories, a number of skilled migrants were in jobs that did not match their qualifications or that did not recognise their qualifications.
  - At that hearing, you also mentioned that a third longitudinal survey was in the field. Is there any more recent survey information in this area and, if so, what does it indicate? You also commented that it might be possible to track people over a longer period of time through some work DIMA had been doing with the Australian Bureau of Statistics on linking ABS censuses. Can you provide us with an update on this area?

Answer: The results of the first wave of responses to the third Longitudinal Survey of Immigrants to Australia (LSIA3) are now available. These responses are from migrants arriving in December 2004 and January 2005, six months after arrival. The results confirm that the major improvements that occurred following the reforms to the Migration Program evidenced in LSIA2 have been sustained. For example, 8% of skilled principal applicants in wave 1 of LSIA3 were unemployed compared with 10% in LSIA2 (migrants entering in 1999-200) and 21% in LSIA1 (migrants entering in 1993-94).

In wave 1 of LSIA3 a high proportion of skilled principal applicants were in skilled occupations. For example, 93% of employed Business and Employer Nominated migrants were in skilled work as were 78% of employed offshore Skilled Independent principal applicants. A lower proportion (56%) of former overseas students had found skilled work at the six month stage.

A trial linking immigration data with census data to provide a longer term view of the progress of new migrants is underway. Immigration data on migrants entering Australia from 2000 has been sent to the ABS which is now examining the data in preparation for a trial match against data from the census "dress rehearsal" which should take place in July/August 2006. If successful, the real match of immigration data against a sample of 5% of the 2006 census will take place in mid-2007, with results being available for use as soon as possible after that. It should be emphasised that the results of this exercise will be statistical only ie names and any other identifying information will be stripped from the data before the ABS releases it to DIMA.

3. It has been suggested that there is limited information on the skill-matching database to ascertain qualifications, that some fields on the database should be made compulsory (eg country of qualification, current occupation) and that these fields should include commencement and completion dates for courses of study. Could you comment on these suggestions?

Answer: In response to employer feedback, the fields relating to applicant's educational qualifications and employment history were made mandatory from July 2005. Applicants can remain on the database for up to two years; therefore some applications made prior to July 2005 may still not include this information.

The Skilled Matching database assists Australian employers to identify prospective skilled employees from overseas. Employers are encouraged to contact applicants and use their standard interview questions to determine if the applicant has the required qualifications and experience for the vacancy. Contact details for each applicant can be obtained by requesting an emailed copy of applicant's full resumes through the database.