

## QUESTION TAKEN ON NOTICE

**BUDGET ESTIMATES HEARING: 22 May 2006**

### IMMIGRATION AND MULTICULTURAL AFFAIRS PORTFOLIO

#### **(106) Output 1.1: Non-Humanitarian Entry and Stay**

Senator Carr asked:

Has DIMA conducted or commissioned any research into the issue of the volatility of certain sections of the skilled labour market, or of the skilled labour market in general? Has DIMA, or DIMA in conjunction with any other Commonwealth agency, conducted or commissioned research into the effect that an immigration-based policy response to fluctuations in the skilled labour market or particular labour markets can have on employment opportunities for trained Australians? Are you aware of research on this problem in relation to the IT labour market in Australia? Does DIMA have access to research on any of these matters? Please provide details.

*Answer:*

The Department of Employment and Workplace Relations (DEWR) conducts research on these issues and makes recommendations to DIMA every six months as to which occupations should remain on or be added to the Migration Occupations in Demand List (MODL). Listing or removal of these occupations is then accomplished by gazettal by the Minister for Immigration and Multicultural Affairs. Occupations on the MODL attract additional points towards the pass mark for a general skilled migration (GSM) visa.

DEWR notified DIMA in 2002 that 24 IT specialisations were not in high demand in the Australian labour market and should be removed from the MODL. This was effected in April 2002. Around the same period, the minimum required period of Australian study for overseas students to qualify for a GSM visa was increased to two years and the points test passmark was raised to 120. As a result of these measures, the proportion of skilled visas going to IT qualified applicants steadily fell, whereas skilled migrants with occupations on the MODL, including tradespeople, have been steadily increasing.

One of the key aims of the Migration Programme is to help address skill shortages in the Australian labour market while noting that the Government's first priority is to train Australians. In undertaking this task, DIMA takes into account research that shows that Australia has a below replacement birth rate and an ageing population and that these factors will place an increasing constraint on the supply of young workers to the labour force. DIMA also takes into account research showing that the number of skilled young Australians leaving for overseas is increasing annually, and the findings of eminent academics such as Professor Ross Garnaut who has said that "...immigration with a high skill component tends to raise employment and lower unemployment of low-skilled established Australians".

In setting and managing skilled migration levels, DIMA also takes into account research conducted by the Australian Bureau of Statistics on labour market conditions including the fact that Australia's unemployment rate has fallen to 4.9 per cent in May 2006, its lowest level since November 1976, and that the unemployment rate for skilled workers is significantly lower than this.

