



ENGINEERS
AUSTRALIA

Migration Occupation Lists Methodology

Supplementary remarks from Engineers Australia

20 October 2017



ENGINEERS
AUSTRALIA

Public Affairs
Engineers Australia
11 National Circuit, Barton ACT 2600
Tel: 02 6270 6555
Email: publicaffairs@engineersaustralia.org.au

Contact: Andre Kaspura

akaspura@engineersaustralia.org.au

Table of Contents

Policy Objectives4

Transparent Methodology.....4

Relationship to Annual Migration Target.....5

Frequency of Reviews.....5

Policy Objectives

Prior to the changes to Australia's skilled migration programs announced by the Government the objectives for Australia's programs were:

- Temporary migration was to alleviate immediate short term skill shortages through demand driven arrangements with employers.
- Permanent migration was to supplement the medium to long term outputs of Australian educational institutions in areas critical to the Australian economy.

The changes announced do not indicate whether or not these objectives remain current or have changed in some way. Engineers Australia is of the view that policy objectives determine how labour market information should be used to compile the Short Term Skilled Occupation List (STSOL) and the Medium and Long Term Strategic Skills List (MTLSSL). This is particularly important in respect to the MTLSSL because we are not talking about an immediate skill shortage but one some years ahead. Accordingly, **Engineers Australia believes that skilled migration policy objectives should be clearly stated to ensure that methodology used to compile eligibility lists are properly designed.**

Transparent Methodology

The consultation paper lists the datasets that the Department proposes to draw upon in its deliberations about the composition of the STSOL and the MTLSSL. We note that this list is comprehensive, but that additional information is available from the ABS population census datasets. These data allow more robust recourse to educational attainment and to geographic location, particularly areas outside of capital cities.

Educational attainment in engineering is mandatory to be considered an engineer and data without this element is of limited relevance to any assessment of engineers. Engineers are first expected to complete formal qualifications in engineering and then undergo a period of professional formation in engineering practice. We note the prospective use of educational attainment data from the ABS Survey of Education and Work and note that in response to our request for data from this survey for four digit ANZSCO engineering occupations, the ABS declined to provide this data for single occupations, but were able to provide it for the aggregate of 50 occupations. The reason was unduly high standard errors.

Engineers Australia accepts that the task the Department has been set is complex and complete precision is unlikely to be possible so that some judgment is inevitable. Having said this, we believe no actual methodology to assess the status of occupations has been presented in the Consultation paper:

- The principles outlined in the paper are essentially motherhood statements that few would contest. They do not, however, say anything specific about analytical methodology.
- The proposed traffic light system is a useful presentational tool but nothing is said about how the decision to allocate a particular colour status will be arrived at.

- The proposed points test is at best obscure. No criteria for the allocation of points are provided. Nothing is said about differential of points (if any) between primary and secondary factors and the statement on summing points for each factor for every occupation is meaningless.

Engineers Australia understands the “methodology” outlined to be a judgment based system based on indeterminate analysis of the datasets listed. We believe that at a minimum the criteria used to analyse the data should be made explicit. We also believe it is essential to clearly state the approach to be applied for occupations where only limited or little data are available and how these situations are to be treated compared to those where more complete data are available.

The absence of methodological detail is less of an issue for the STSOL. On the basis that temporary migration aims to alleviate immediate skill shortages, assessments of the current status of occupations is a satisfactory approach for judging the situation in the coming six months even allowing for typical delays in data availability.

Our objection to the lack of methodological detail relates to analysis underpinning the MTLSSL. Defining what medium to long term means is the issue. The paper appears to accept the view that medium term means four years as evidenced by the connection between the four-year temporary visa stream and the MTLSSL. In these circumstances reliance on current labour market data is entirely inappropriate and meaningless and some form of projection methodology is required.

In the case of engineers, medium to long term is connected to the time necessary to train a competent practicing engineer. Base level qualifications can take between three and six-years full time study followed by three to four years of on-the-job professional formation in engineering practice. Engineers Australia believes that the Department should identify occupations on the MLTSSL where long education and training periods are the norm and articulate the projection methodology it proposes to apply, as well as the way available data will be analysed, indicating areas where recourse to judgment is necessary.

Relationship to Annual Migration Target

Australia’s annual permanent migration target is set in the Commonwealth Budget presented in May each year. This target has remained essentially unchanged over the past five years. Most of the target relates to skilled migration programs, but the relationship between the composition of the MTLSSL and the target is unclear. When the MTLSSL comprises many occupations, there is every chance that the skilled migrant intake is reasonably balanced. However, there are circumstances in which many occupations could be removed from the list, yet the annual immigration intake remains unchanged. The result replicates the situation pre-2010 when the migration intake was unduly skewed and failed to deliver a balance of skills.

Engineers Australia believes that because in Australia there is a close association between migration policy and population policy, high annual permanent immigration intakes should be balanced across a wide range of occupations relevant to Australia’s economic future. To achieve this, we believe that a clear connection between the annual skilled migration target and the MLTSSL should be established in order to avoid unintended skews in the

migration intake. In recent years there has been a tendency to treat immediate short term skill shortages (or surpluses) as though they apply to the medium to long term. This is inappropriate methodology and seriously at odds with the close connection between migration and population policies.

Frequency of Reviews

For the STSOL six monthly reviews make sense. The objective of policy should be to address immediate skill shortages and given delays in obtaining data and time necessary for its evaluation, this frequency is a practical approach.

However, six monthly reviews of the MLTSSL make less sense. Here the objective of policy is skills **supplementation** some years into the future and not current skill shortages. We have already remarked on the time necessary to produce fully competent engineers. Even in the context where this period was abbreviated to five years, six monthly reviews make little sense and represent a major impost on time and resources of stakeholders, including your Department through participation in essentially unnecessary “red tape.”

Engineers Australia believes that regular reviews of the MTLSSL are essential but given the policy objective for permanent migration and the long education and training period required, reviews every two years are sufficient.

Contact Details

Thank you for the opportunity to provide a response to the draft migration occupation list methodology. If you wish to discuss the contents of this submission further, please contact Andre Kaspura at akaspura@engineersaustralia.org.au or 02 6270 6581.



ENGINEERS
AUSTRALIA