Chapter 3

Processes for determining skills shortages, occupation lists and skills assessments

3.1 This chapter discusses issues relating to how the occupation eligibility settings for the temporary skilled visa system are determined, focusing primarily on the Temporary Skills Shortage (TSS) visa subclass. These issues include:

- how occupations are placed on the three Skilled Migration Occupation Lists (and how these lists are reviewed);
- the research and analysis undertaken by the Department of Jobs and Small Business (DJSB) on which occupations are experiencing skills shortages; and
- the role and functionality of the Australian and New Zealand Standard Classification of Occupations (ANZSCO), which underpins the skilled migration lists.

3.2 This chapter also examines the skills assessment procedures that form part of the TSS visa application process for certain occupations. This involves Australian skills assessing authorities carrying out skills assessments of overseas workers in order to determine their suitability to work in Australia in their nominated occupation.

Placement of occupations on the skilled migration occupation lists

3.3 As noted in Chapter 2, employers can only nominate workers for a TSS visa for occupations that are listed in an eligible Skilled Migration Occupation List. The three relevant occupation lists were described in the joint submission from the Department of Home Affairs, DJSB, and Department of Education and Training (Joint Departmental Submission) as follows:

- Short-term Skilled Occupation List (STSOL): occupations required to fill critical, short-term skills gaps (linked to the short term stream of the TSS visa subclass).
- Medium and Long-term Strategic Skills List (MLTSSL): occupations of high value to the Australian economy and aligned to the Government's longer term training and workforce strategies (linked to the medium term stream of the TSS visa subclass).
- Regional Occupation List (ROL): occupations to support regional skills needs (also linked to the medium term stream of the TSS visa subclass).¹
- 3.4 As of March 2019, there are:
- 215 occupations listed on the STSOL for the TSS visa;

¹ Joint Departmental Submission, *Submission 40*, p. 9. Skilled migration occupation lists (with some variations) also apply to other visa classes including the Training visa (subclass 407) and the Temporary Graduate visa (subclass 485).

- 216 occupations listed on the MLTSSL for the TSS visa; and
- 77 occupations listed on the ROL for the TSS visa.²

3.5 Examples of occupations on the short term list and medium to long-term list (as of March 2019) are included in Table 3.1.

Table 3.1: Examples of occupations included in the skilled occupation lists³

Short Term Skilled Occupation List	Medium and Long Term Strategic Skills List
Mechanical engineering and metallurgical technicians	Chemical, materials, civil, geotechnical, electrical, industrial, mechanical, mining and petroleum engineers
Production managers (forestry, manufacturing and mining)	Architects, surveyors and cartographers
Sales, marketing, advertising, corporate services, finance and human resources managers	Accountants (general) and taxation accountants
Manufacturers	Boat builders and repairers and shipwrights
Primary, middle school, art, dance and music teachers	Early childhood, secondary and special needs teachers
School principals	Faculty heads and university lecturers
Café, restaurant, hotel, accommodation and hospitality managers	General practitioners, cardiologists, neurologists, paediatricians and surgeons
Enrolled nurses and nurse educators, researchers and managers	Midwives and registered nurses
Finance, insurance and stockbroking dealers	Barristers and solicitors
Advertising and market specialists	Motor, diesel motor, motorcycle and small engine mechanics
Newspaper editors and print and television journalists	Bricklayers, carpenters, plumbers and electricians
Bakers, pastrycooks, butchers and cooks	Chefs

² Migration (LIN 19/048: Specification of Occupations—Subclass 482 Visa) Instrument 2019 (Cth), cl. 68.

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³ Migration (LIN 19/048: Specification of Occupations—Subclass 482 Visa) Instrument 2019 (Cth), cl. 6 and 7.

3.6 The Regional Occupation List includes, for example, aeroplane and helicopter pilots, ship's masters, agricultural technicians, cattle and livestock farmers, and financial institution branch managers.⁴

Recent updates to the skilled migration occupation lists

3.7 DJSB is responsible for advising the Australian Government on which occupations should be included in the skilled migration occupation lists. However, the final decision on the composition of the occupation lists rests with the Minister for Immigration, Citizenship and Multicultural Affairs.⁵

3.8 DJSB submitted that it 'regularly reviews the occupation lists to ensure they reflect and address Australia's labour market needs'.⁶ Updates to the skilled occupation lists based on DJSB advice occurred in July 2017, January 2018, March 2018 and March 2019.⁷

3.9 The most recent revision to the lists, announced on 11 March 2019, involved the addition of eighteen occupations to the Regional Occupation List, including livestock, beef, dairy, sheep, aquaculture and crop farmers, among other agricultural roles, in order 'to further support regional and rural businesses, particularly farms'.⁸ Sixteen of these occupations were moved onto the ROL from the STSOL, meaning that new TSS visa applicants in these occupations will be able to live and work in Australia for up to four years (rather than two years under the short term stream).⁹

3.10 Other changes contained in the March 2019 revisions included the addition of eight new occupations on the MLTSSL (six of which were previously included in the STSOL for the TSS visa).¹⁰

Process for updating the skilled migration occupation lists

3.11 The DJSB website provides an overview of the process undertaken with each review of the occupation lists, shown at Figure 3.1. DJSB advises that stakeholders

8 The Hon David Coleman MP, Minister for Immigration, Citizenship and Multicultural Affairs, 'Regional Australia to benefit from skilled occupation list update', *Media Release*, 11 March 2019 (accessed 18 March 2019).

⁴ Migration (LIN 19/048: Specification of Occupations—Subclass 482 Visa) Instrument 2019 (Cth), cl. 8.

⁵ Joint Departmental Submission, *Submission 40*, p. 8.

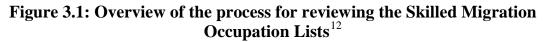
⁶ Joint Departmental Submission, *Submission 40*, p. 8.

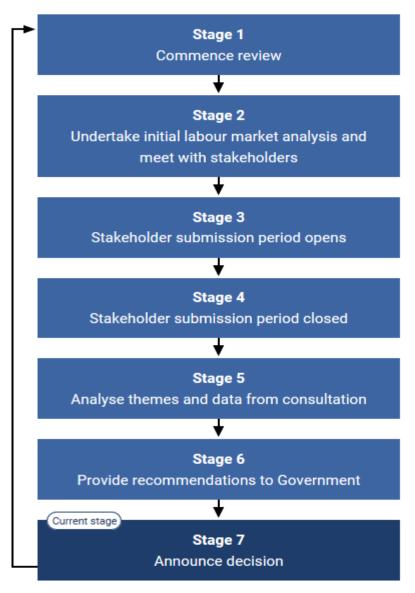
⁷ Joint Departmental Submission, *Submission 40*, p. 10; Department of Jobs and Small Business, *Skilled Migration Occupation Lists*, <u>https://www.jobs.gov.au/SkilledMigrationList</u> (accessed 15 March 2019).

⁹ Seek Visa Migration Agents, *New Occupations Announced for Australian Visas*, <u>https://www.seekvisa.com.au/new-occupations-for-australian-visas/</u> (accessed 18 March 2019).

¹⁰ The Hon David Coleman MP, Minister for Immigration, Citizenship and Multicultural Affairs, 'Regional Australia to benefit from skilled occupation list update', *Media Release*, 11 March 2019 (accessed 18 March 2019); Seek Visa Migration Agents, *Medium Term List for TSS Visa*, <u>https://www.seekvisa.com.au/medium-term-list-for-tss-visa/</u> (accessed 18 March 2019).

can contact the Department at any time, and formal consultation occurs 'in the months leading up to when each review is scheduled to conclude'. For example, for the January 2018 update the DJSB opened consultation in November 2017.¹¹





See Department of Jobs and Small Business, *Frequently Asked Questions*, <u>https://www.jobs.gov.au/skilled-migration-occupation-lists-frequently-asked-questions</u> (accessed 29 March 2019); and *Consultation on Skilled Migration Occupation Lists*, <u>https://www.jobs.gov.au/consultation-skilled-migration-occupation-lists</u> (accessed 29 March 2019).

¹² Department of Jobs and Small Business, *Skilled Migration Occupation Lists*, <u>https://www.jobs.gov.au/SkilledMigrationList</u> (accessed 15 March 2019). As the figure indicates through the 'Current stage' icon, revisions to the lists have just been announced in March 2019.

3.12 In September 2017, DJSB released a consultation paper on the methodology it uses to review the occupation lists. This consultation paper indicated that DJSB would undertake labour market analysis for all Australian and New Zealand Classification of Occupations (ANZSCO) Skill Level 1 to 3 occupations, comprising around 650 skilled occupations, every six months (see below for a discussion of the ANZSCO framework).¹³ Datasets DJSB uses to conduct this analysis include, for example, data taken from across various government departments and agencies on:

- skilled migrant employment outcomes,
- graduate and apprentice outcomes,
- employment growth predictions,
- Australian skill shortages; and
- base salaries data.¹⁴

3.13 DJSB acknowledged some limitations in its methodology, arising partly because of 'the need to use data at the national level, as data at the state, territory or regional level is either not available or not as statistically robust'.¹⁵ DJSB noted that future versions of the paper will outline a new methodology for the Regional Occupation List 'that uses data relevant to analysis on regional labour market needs'.¹⁶

3.14 Mr Peter Cully, Group Manager, Small Business and Economic Strategy Group at DJSB, commented further on the methodology and consultation process followed by the department:

[The process is] as comprehensive as it can be with the data that we have available. We're always looking at new sources of data emerging. A lot of the time we will have submissions and other views put forward by stakeholders, but there's not necessarily evidence or a dataset behind those. So it's as comprehensive as it can be. We're certainly very committed to consultation as a way to talk to stakeholders, to get their views and to explain the process through them. So we've used a range of different stakeholder engagement methods through the process: submissions to our website but also a range of face-to-face meetings at industry level or with individual stakeholders, depending on the circumstances.¹⁷

16 Department of Jobs and Small Business, Answers to questions on notice, 8 March 2019 (received 25 March 2019), p. 8.

¹³ Department of Jobs and Small Business, *Consultation Paper – Methodology: Migration Occupation Lists – Update and Methodology*, September 2017, p. 1, <u>https://docs.jobs.gov.au/system/files/doc/other/1710_methodology_approach_final.pdf</u> (accessed 26 February 2019).

¹⁴ Joint Departmental Submission, *Submission 40*, pp. 8–9.

¹⁵ Department of Jobs and Small Business, *Consultation Paper – Methodology: Migration Occupation Lists – Update and Methodology*, September 2017, p. 4, <u>https://docs.jobs.gov.au/system/files/doc/other/1710_methodology_approach_final.pdf</u> (accessed 26 February 2019).

¹⁷ *Proof Committee Hansard*, 6 March 2019, p. 41.

Skills shortages research by the Department of Jobs and Small Business

3.15 DJSB is responsible for carrying out ongoing research on which skilled occupations have shortages.¹⁸ Its skill shortage research program covers more than 80 skilled occupations on an annual basis, and focuses on occupations with long lead times for training (generally requiring at least three years of post-school education and training).¹⁹

3.16 The Joint Departmental Submission stated that this research 'provides objective assessments of a subset of skilled occupations to meet various needs, and identifies those in shortage at a particular point in time'.²⁰ DJSB draws on multiple datasets when determining skills shortages, including quantitative and qualitative data taken from the *Survey of Employers Who have Recently Advertised*.²¹

3.17 The skills shortages findings made by DJSB feed into its process for determining which occupations are recommended to be placed on the Skilled Migration Occupation Lists. The Joint Departmental Submission explained further how these two processes interact:

While the skill shortage research is one factor in the skilled migration occupation lists methodology, it is not determinative. Any differences between these occupation lists reflects their different methodologies; different purpose and different time-frames (that is, the DJSB skill shortage lists reflect the current labour market, while the skilled migration occupation lists consider future labour market needs).²²

Submitter and witness views on the occupation lists and associated issues

3.18 Submitters and witnesses to the inquiry raised a series of issues relating to the processes associated with the skilled occupation lists. These included:

- concerns that the occupation lists do not reflect genuine skills shortages;
- uncertainty for industry because of occupations being regularly added, removed or transferred between the skilled occupation lists;
- complexity of the occupation lists;
- lack of transparency around how final decisions on changes to the occupations lists are made; and
- potential shortcomings in consultation processes and the skills shortages research methodology.

¹⁸ Joint Departmental Submission, *Submission 40*, p. 9.

Department of Jobs and Small Business, *Skills Shortages*, <u>https://www.jobs.gov.au/skillshortages</u> (accessed 17 March 2019); Joint Departmental Submission, *Submission 40*, p. 9

²⁰ Joint Departmental Submission, Submission 40, p. 9.

²¹ Joint Departmental Submission, *Submission 40*, p. 9.

²² Joint Departmental Submission, *Submission 40*, p. 10.

Concerns that the occupation lists do not reflect genuine skills shortages

3.19 The Australian Council of Trade Unions (ACTU) argued that the occupations on the MLTSSL 'do not accurately reflect the genuine labour shortages in Australia'. The ACTU suggested that according to DJSB's historical list of skills shortages, of the top five occupations granted visas in the MLTSSL stream—accountants, software engineers, registered nurses, developer programmers and cooks— 'not one... was in shortage over the four years to 2017'. It further contended that software engineer had 'never been in shortage in the 31 year history of the series'.²³

3.20 Mr Damian Kyloh, Associate Director of Economic and Social Policy at the ACTU, told the committee:

The occupations on the TSS visa list include roof tilers, carpenters, joiners, chefs, cooks, midwives, nurses and real estate agents. The empirical evidence, and the evidence from our side and our affiliates, is that there aren't genuine skills shortages in all those professions.²⁴

3.21 The Australian Nursing and Midwifery Federation (ANMF) noted that a significant number of Australian nursing and midwifery graduates currently have difficulty securing a job after completing their studies, and argued that the 'employment of large numbers of offshore nurses' is a contributing factor in the unemployment and underemployment of these graduates:

Many graduates and early career nurses and midwives struggle to find employment in their chosen professions, and are often rejected by employers who utilise temporary migrant labour. This is inconsistent with the key temporary skilled migration policy objective that offshore workers should not be engaged if there is a domestic worker willing and able to take up the role.

The ANMF considers the failure of our system to provide work for new graduates at a time when employers continue to access large numbers of nurses and midwives on temporary work visa arrangements demonstrates a disconnect between the current temporary visa system and the available supply of new graduates. The ANMF accordingly queries the extent to which the temporary visa system takes into account nursing graduate data.²⁵

Uncertainty resulting from changes to the occupation lists

3.22 Various organisations complained that the current system of skilled migration lists is unnecessarily complex, and that the number of changes to the lists in recent years has resulted in significant uncertainty for employers and visa holders.

3.23 The Committee for Melbourne commented that the potential for changes every six months to the occupation lists is 'creating greater uncertainty for business, as well as for skilled foreign individuals who have expressed a desire to live and work in

²³ *Submission 11*, p. 20.

²⁴ Proof Committee Hansard, 7 March 2019, p. 8.

²⁵ Submission 6, pp. 8–9.

Australia'.²⁶ This sentiment was echoed by the Minerals Council of Australia and several other submitters.²⁷

3.24 Uncertainty around the timing of revisions to the lists was also of concern. A number of submitters expressed frustration that the most recent revision to the skilled occupation lists had been delayed, with no revision between March 2018 and March 2019, despite the government's commitment to review the lists bi-annually.²⁸

Arguments for a more gradual approach to changing the skills lists

3.25 Noting that a large number of occupations had been removed from the lists in recent years, the Law Council of Australia recommended that consideration of whether to restrict access to occupations on the migration lists should include assessing whether this is better managed through the imposition of a caveat rather than placement on the STSOL or removal from the occupation lists altogether.²⁹

3.26 The Law Council recommended further that 12 months' notice should be given prior to an occupation being removed. This would allow a six month period for submissions and consideration, and a further six months for visa holders and employers to plan and make alternative arrangements.³⁰

Complexity of the occupation lists

3.27 Dr Carina Ford of the Law Council of Australia observed that the sheer size of the occupations list, coupled with the various caveats that apply to certain occupations, make it difficult to navigate.³¹

3.28 Ms Adrienne O'Rourke, General Manager of the Resources Industry Network, explained at the committee's public hearing in Mackay how difficult it is to find and interpret information on the skills lists:

I have gone round in circles on the Home Affairs website trying to find information about the identified list of skills that you can apply under. If you're a small business, it just must be such a struggle. You're having to now pay consultants to do this. There's probably no chance of you being able to do this yourself.³²

²⁶ *Submission 35*, p. 2.

²⁷ Minerals Council of Australia, *Submission 3*, p. 5; Australasian Institute of Mining and Metallurgy, *Submission 30*, pp. 2–3; Fragomen, *Submission 50*, p. 4.

²⁸ Housing Industry Association, Submission 10, p. 8; Australian Chamber of Commerce and Industry, Submission 12, pp. 10–11; Restaurant & Catering Australia, Submission 32, p. 16; Tourism & Transport Forum, Submission 41, p. 2.

²⁹ *Submission 36*, p. 8.

³⁰ *Submission 36*, p. 8.

³¹ Dr Carina Ford, Deputy Chair, Migration Law Committee, Law Council of Australia, *Proof Committee Hansard*, 7 March 2019, p. 23.

³² Proof Committee Hansard, 5 March 2019, p. 5.

3.29 Some stakeholders argued that the lists should be consolidated into a single skilled migration occupation list. For example, Restaurant & Catering Australia submitted:

[T]he dissection of the skilled occupation lists into the STSOL and MLTSSL is an overly convoluted, confusing and complex system for employers to navigate which may also have the effect of worsening already-crippling skills shortages. R&CA argues that this dichotomy has been flawed from the outset and the two lists should be consolidated. The separation between each of these lists adds an unnecessary layer of complication to the current skilled visa framework, creating further difficulty for employers in terms of their ability to navigate the current system.³³

3.30 Mr John Hourigan, National President of the Migration Institute of Australia, gave evidence that 'the number of occupation lists is confusing' and advocated that 'the occupation list be reduced to a single list which clearly identifies the visa subclasses which apply to each occupation'.³⁴

Comments on specific changes to the occupation lists in recent years

3.31 Some submitters argued that recent movements of occupations on the lists have had a negative impact on some industries. For example:

- representatives from the independent schools sector stated that the recent movement of the 'School Principal' and other school-related occupations from the MLTSSL to the STSOL had an immediate and adverse impact on independent schools;³⁵
- Ports Australia argued that the removal of specialist maritime roles from the occupation lists in 2017 is likely to lead to a void of specialist mariners with the necessary skills and experience to fill key roles in Australian Ports and other maritime sectors;³⁶ and
- Restaurant & Catering Australia submitted that pre-existing skills shortages in the occupations of cook and café or restaurant manager have been exacerbated following those occupations' removal from the MLTSSL in 2018.³⁷

3.32 The committee also received various recommendations from submitters and witnesses in relation to specific occupations and their placement (or non-placement) on the occupation lists.³⁸

³³ Submission 32, p. 17. See also: Housing Industry Association, Submission 10, p. 4.

³⁴ *Proof Committee Hansard*, 6 March 2019, p. 20.

³⁵ Association of Heads of Independent Schools of Australia, *Submission* 8, p. 3; Independent Schools Council of Australia, *Submission* 26, p. 2.

³⁶ Ports Australia, *Submission 23*, p. 2.

³⁷ *Submission 32*, p. 16.

Views on the adequacy of the skills shortages research methodology

3.33 The committee heard some concerns about the methodology underpinning DJSB's skills shortages research, which feeds into decision making processes around the occupation lists.

3.34 Dr Gavin Lind, General Manager, Workforce and innovation at the Minerals Council of Australia (MCA) commented that consultation around DJSB's skills shortages methodology was lacking:

MCA is concerned that the data being used to determine skills shortages is incomplete and out of date. It is also disappointing to note that MCA...was not consulted or briefed for the skills shortage research methodology. Any methodology that is applied needs to ensure that all the relevant industry voices are captured and considered to secure and promote accurate findings and ensure that the system is targeting genuine skill shortages. For example, had MCA been consulted for the 2018 skills shortage report, up-to-date figures and projections would have been provided, ensuring that the current labour market rating for mining engineers was determined through the application of relevant and accurate data.³⁹

3.35 Science & Technology Australia commented that the methodology used to establish a skills shortage has been effective when examining professions in which a clear and uniform skills set is required, but does not accurately account for the precision skills required by the research sector—a sector where niche, and often scare, skills are the norm.⁴⁰ It also argued that measuring skills shortages on an annual basis 'provides a limited and one-dimensional view of the workforce and cannot accurately capture the number of skilled researchers that may be required for specialised work at different times of the year, at different stages of the research cycle'.⁴¹

3.36 Housing Industry Association (HIA) argued that DJSB's requirement that industry representatives provide robust modelling to underpin claims of skills shortages is unreasonable:

Government liaison and consultation with industry is vital to successful outcomes, especially in relation to the divergences in skilled labour requirements across industries and also geographical regions and localities.

- 39 *Proof Committee Hansard*, 7 March 2019, p. 12.
- 40 *Submission* 20, p. 3.
- 41 Science & Technology Australia, *Submission 20*, pp. 3–4.

³⁸ See, for example: Australian Meat Industry Council, Submission 21, pp. 5–6 (arguing that the occupations Butcher and Smallgoods Maker should be moved from the STSOL to the MLTSSL); Australasian Institute of Mining and Metallurgy, Submission 30, p. 1 (arguing that the occupation Mining Engineer should be listed); Independent Schools Council of Australia, Submission 26, p. 4 (arguing that various school-related occupations should be restored to the MLTSSL); Restaurant & Catering Australia, Submission 32, p. 17 (arguing that all key hospitality sector occupations be restored to the MLTSSL); Tourism & Transport Forum, Submission 41, p. 2 (recommending that various occupations in those industries be moved from the STSOL to the MLTSSL).

Detailed anecdotal evidence from industry is very powerful because it stems from the people on the ground so the information is timely and accurate. Providing robust modelling as well, which industry has been asked to do for many years now, is difficult and costly to achieve and should be the purview of the department, in consultation with industry.

Putting the onus on industry to provide robust modelling of their skilled labour requirements, as has occurred to varying degrees over many years, is not a viable or sensible approach.⁴²

3.37 HIA recommended that DJSB be appropriately resourced to undertake quantitative modelling of skilled labour demand, and provide a more disaggregated analysis and assessment of skilled labour requirements for temporary skilled migrants.⁴³

Processes for making decisions about composition of the occupation lists

3.38 The committee heard significant concerns about the lack of transparency surrounding the final ministerial decision making process for adding and removing occupations on the lists. For example, Australian Pork Ltd argued:

The Department of Jobs and Small Business (DJSB) methodology underpinning the system of determining skills shortages appears robust at first glance. It provides lists of relevant datasets and a description of the general principles by which a skills shortage will be determined. It gives the pretence of transparency but conceals the application of the methodology and its detailed results. For example, there is reference to a point system, but no specifics on how many points are awarded for each dataset, or details of points thresholds for entry onto one or other of the TSS lists.

Changes in skills shortage categorisation for occupations, including for horse-racing and for CEOs, have been made suddenly and in apparent response to lobbying efforts or through special deals, rather than by adherence to the DJSB methodology and points system⁴⁴

3.39 The Migration Institute of Australia submitted similarly:

The process for determining what occupations are in shortage and should be included in migration skilled occupation lists, is...not well understood or transparent. Various industry and profession consultations are known to occur, but anomalies exist in the outcomes of such consultations. For example, certain professional and industry associations and trade unions appear to have been able to protect those professionals or workers they represent, by preventing these occupations being added to the skilled occupation lists, by limiting the numbers permitted to apply or by having more rigorous labour market testing requirements imposed.⁴⁵

- 44 *Submission 43*, p. 9.
- 45 *Submission 33*, pp. 4–5.

⁴² *Submission 10*, pp. 7–8. See also: Australian Chamber of Commerce and Industry, *Submission 12*, p. 11.

⁴³ *Submission 10*, p. 8.

3.40 Restaurant & Catering Australia (R&CA) argued that the government should be required to publicly release detailed reasoning for final decisions made to change occupations included on the lists:

Frustratingly, there has been little justification...provided as to [the] composition of the STSOL and MLTSSL and the inclusion of each listed occupation, other than that these occupations are critical to the future skills needs of the Australian economy and workforce. R&CA implores the Commonwealth Government to provide proper reasoning and accompanying data explaining the decisions for why certain occupations are either included or excluded from the two lists for purposes of transparency.⁴⁶

3.41 RDA Far South Coast expressed concern at the lack of regional input during reviews of the skilled occupation lists:

Further compounding the inadequacies of the current lists, is the manner in which they are determined. No direct regional consultation currently occurs with city-based consultants studying on-line job ads to gauge regional needs. As many regional employers use recruitment methods other than these, the skills lists are intrinsically flawed. There is an obvious, yet unrealised, need for direct regional input into the skills requirements. Regions vary greatly and unfortunately, consultation is not occurring at the grassroots level. [Regional Certifying Bodies] are ideally placed to provide this input as most conduct regional skills audits through direct engagement with both regional employers and training bodies.⁴⁷

3.42 The Electrical Trades Union of Australia (ETU) argued that previously, the STSOL, MLTSSL and regional skills lists were 'established and reviewed following extensive consultation with representatives of Government, business, workers and education providers which ensured that only genuine shortages made it onto the register of eligible occupations'. The ETU suggested that the dismantling of tripartite consultative bodies which previously provided advice on skills shortages had led to significant issues with the skills lists, to the point that the eligible occupations lists 'have now become a complete farce'.⁴⁸

Australian and New Zealand Standard Classification of Occupations

3.43 The Australian and New Zealand Standard Classification of Occupations (ANZSCO) framework is 'a skill-based system used to classify occupations and jobs in the Australian and New Zealand labour markets'. It was developed by the Australian Bureau of Statistics, Statistics New Zealand and the then Australian Department of Employment and Workplace Relations, and first released in 2006.⁴⁹

⁴⁶ *Submission 32*, p. 16.

⁴⁷ *Submission 34*, p. 3.

⁴⁸ Submission 49, p. 10.

⁴⁹ Joint Departmental Submission, *Submission 40*, p. 13.

The ANZSCO was the subject of a significant review in 2009, with a further review occurring in 2013.⁵⁰

3.44 ANZSCO is used for various purposes, including providing the definitional categories for occupations on the skilled migration lists. The ANZSCO framework outlines job titles, a description of the job, qualifications indicative for the skill level of an occupation, and typical tasks involved. For example, the following information is included for chefs:

- The ANZSCO unit group code of 3513 (Chefs), with a specific ANZSCO code 351311 for the occupation of chef.
- A description of what a chef does—that is, plans and organises the preparation and cooking of food in dining and catering establishments.
- The occupation's skill level and qualification level expected for someone employed as a chef (skill level 2, with an Associate Degree, Advanced Diploma or Diploma, or at least three years of relevant experience).
- A list of typical tasks of a chef, include planning menus, estimating food and labour costs, monitoring quality of dishes at all stages of preparation, demonstrating techniques and advising on cooking procedures, and explaining and enforcing hygiene regulations.⁵¹

3.45 The Department of Home Affairs uses ANZSCO requirements for occupations when assessing the skills and experience of skilled visa applicants.⁵²

Issues with the ANZSCO framework

3.46 Significant concerns were expressed by a range of stakeholders about perceived shortcomings in the ANZSCO framework, including that the framework has not kept pace with modern workforce trends and is in urgent need of revision.⁵³ The Migration Institute of Australia argued in its submission:

The skilled occupation lists, skills assessment regimes and the Department's skilled application processes are all inescapably tied to the minutiae of the ANZSCO occupational descriptors. However, the current five year intervals between ANZSCO updates, reduces its ability to capture rapidly developing

⁵⁰ Australian Bureau of Statistics, *Answers to written questions on notice received on* 20 March 2019, p. 1.

⁵¹ Australian Bureau of Statistics and Statistics New Zealand, *ANZSCO – Australian and New Zealand Standard Classification of Occupations*, first edition, September 2006, ABS cat. no. 1220.0, p. 426.

⁵² Joint Departmental Submission, *Submission 40*, p. 13.

^{See, for example: Australian Chamber of Commerce and industry, Submission 12, p. 13;} Queensland Tourism Industry Council, Submission 25, p. 2; Business SA, Submission 16, p. 9; National Farmers Federation, Submission 13, pp. 12–13; Restaurant & Catering Australia, Submission 32, pp. 19–20; Motor Trades Association of Australia; Submission 39, pp. 4–5; Ms Adrienne Rourke, General Manager, Resource Industry Network, Proof Committee Hansard, 5 March 2019, p. 2; Tourism Accommodation Australia, Submission 42, p. 11; Fragomen, Submission 50, pp. 2–3.

occupational changes and impairs its effectiveness as a tool for identifying changing occupational trends and developing skills shortages.⁵⁴

3.47 The Australian Chamber of Commerce and Industry called for an urgent and comprehensive review of the ANZSCO:

Despite major changes to the economy and jobs including new jobs driven by technology as well as changes to the level of skill needed in certain jobs, ANZSCO has only been reviewed and revised twice...since its introduction in 2006... A major review of ANZSCO is long overdue. Occupations in ANZSCO are out of date in that skill levels are not reflective of the current work performed and for many industries it is woefully inadequate in assessing the skill needs in the context of new occupations.⁵⁵

3.48 Universities Australia used an example from its sector to highlight the shortcomings of the current ANZSCO framework:

Universities Australia is...concerned about other university-based occupations which do not feature on the [ANZSCO] but are of vital importance to the long-term success of Australia's universities. Of particular importance are university advancement and philanthropy professionals where the recruitment of foreign expertise is vital in fostering the development of philanthropy capability in Australian universities. The lack of a specific category for such an important profession highlights the current disconnect between the ANZSCO and the ever-evolving university sector. Assigning a new occupation to the ANZSCO is a complicated administrative process with long time lines. Furthermore, submitting an occupation for inclusion on the ANZSCO may not result in a positive outcome after many months of consideration, nor does a final inclusion on the ANZSCO immediately result in the occupation being listed on the Skilled Occupation List. It raises the issue of whether an alternate approach to classifying occupations is required which is more responsive to the changing nature of the workplace.⁵⁶

Views of government agencies

3.49 The Joint Departmental Submission argued that the ANZSCO framework is 'flexible in capturing the vast majority of occupations' and 'covers many alternative and emerging job titles' besides those that appear in the legislative instruments that give effect to the skilled occupation lists.⁵⁷

⁵⁴ *Submission 33*, p. 4.

⁵⁵ *Submission 12*, p. 13. See also: Queensland Tourism Industry Council, *Submission 25*, p. 2; Business SA, *Submission 16*, p. 9;

⁵⁶ *Submission* 27, p. 4. See also: Group of Eight, *Submission* 14, p. 3; Joint University Submission, *Submission* 46, pp. 10–12.

⁵⁷ Joint Departmental Submission, *Submission 40*, p. 13.

3.50 The Australian Bureau of Statistics (ABS) commented that classifications such as the ANZSCO 'should be reviewed ten yearly to remain relevant', and noted that reviews to the ANZSCO occurred in 2009 and 2013.⁵⁸

3.51 The ABS explained that in 2017–18 it consulted widely and confirmed broad stakeholder support for a review of the ANZSCO; however, the review did not proceed due to a lack of funding and the need to prioritise the ABS' core statistics program.⁵⁹

3.52 The ABS noted further that in the absence of a full ANZSCO review, the ABS and Statistics New Zealand have recently agreed to jointly undertake maintenance work of the ANZSCO skill levels:

This work will support relevant agencies to apply ANZSCO to administer skilled migration policies and continue to make sure that people receiving skilled migration visas have the right level of skills for the right occupation.

The maintenance of the ANZSCO skill levels is limited to updating the skill level definitions of existing occupations within ANZSCO. It will not result in the addition, deletion or movement of any categories or codes within ANZSCO. This makes the work to maintain the skill levels a less resource intensive undertaking [than] a review.⁶⁰

Skills assessments regime

3.53 Particular skills assessing authorities carry out assessments of temporary skilled visa applicants to ensure that their skills meet the requirements of occupations in Australia. The Department of Education and Training manages the skilled migration assessing authorities.⁶¹ The assessments carried out by these approved bodies then inform the decisions the Department of Home Affairs makes on skilled migration.⁶² Where required, visa applicants for TSS visas must provide a completed skills assessment when applying, or evidence that a skills assessment has commenced.⁶³

3.54 For example, Trades Recognition Australia, a skills assessment service provider within the Department of Education and Training, provides skills assessments for people with trade skills for the purpose of migration. It engages

⁵⁸ Australian Bureau of Statistics, *Answers to written questions on notice received on* 20 March 2019, p. 1.

⁵⁹ Australian Bureau of Statistics, *Answers to written questions on notice received on* 20 March 2019, p. 1.

⁶⁰ Australian Bureau of Statistics, *Answers to written questions on notice received on* 20 March 2019, p. 1.

⁶¹ Ms Fiona Lynch-Magor, Acting Group Manager, Skills Market Group, Department of Education and Training, *Proof Committee Hansard*, 6 March 2019, p. 40.

⁶² Joint Departmental Submission, *Submission 40*, p. 12.

⁶³ Joint Departmental Submission, *Submission 40*, p. 13; Legislative Instrument IMMI 18/039: Mandatory Skills Assessment – Subclass 482 Visa Instrument 2018.

approved organisations to carry out parts of the TSS Skills Assessment Program on its behalf.⁶⁴

3.55 State and territory governments, through Overseas Qualifications Units, also conduct assessments of overseas qualifications for general purposes.⁶⁵

3.56 Occupations for the skilled migration program more broadly that have mandatory skills assessments are outlined in delegated legislation, along with the relevant ANZSCO codes for these occupations.⁶⁶ The relevant skills assessment authorities that have been designated for particular occupations are outlined in a legislative instrument.⁶⁷ The requirement to undergo a skills assessment for some occupations differs depending on an applicant's country of origin.⁶⁸

3.57 Skills assessments may take place in Australia, based on the relevance of an applicant's qualifications, training and work experience, or offshore, with the assessing authority travelling to conduct an interview and/or a practical skills assessment with the applicant.⁶⁹

3.58 Key concerns that submitters and witnesses outlined about the current skills assessment regime included the following:

- the stringency of the current skills assessment regime;
- the length of the skills assessment process;
- overreliance on ANZSCO codes in skills assessments;
- limited recognition of previous employment experience; and
- different skills assessment requirements based on nationality.

Stringency of skills assessment regime

3.59 The committee received conflicting evidence about the skills assessment regime, with a number of submitters and witnesses arguing that stricter requirements are needed, and some others arguing that the system is already too onerous.

⁶⁴ Joint Departmental Submission, *Submission 40*, p. 12.

⁵⁵ Joint Departmental Submission, *Submission 40*, p. 12.

⁶⁶ Joint Departmental Submission, *Submission 40*, p. 13; Legislative Instrument IMMI 18/051: Specification of Occupations and Assessing Authorities Instrument 2018.

⁶⁷ Joint Departmental Submission, *Submission 40*, p. 13; Legislative Instrument IMMI 18/039: Mandatory Skills Assessment – Subclass 482 Visa Instrument 2018.

⁶⁸ Cross Cultural Communications and Management, *Submission 44*, p. 14; Legislative Instrument IMMI 18/039: Mandatory Skills Assessment – Subclass 482 Visa Instrument 2018.

⁶⁹ Cross Cultural Communications and Management, *Submission 44*, p. 14.

General concerns that the skills assessment regime is too onerous

3.60 The Migration Institute of Australia argued that the skills assessing regime is 'extremely difficult to navigate, slow and costly for consumers'.⁷⁰ It proposed that requirements for skills assessment be reduced to those necessary to protect consumers and the public.⁷¹ Similarly, a Joint University submission suggested that the requirement for skills assessments was 'onerous, expensive and unnecessary' for the university sector, contending that universities were best placed to determine whether an individual has the necessary skills and work experience.⁷²

3.61 Business SA questioned why skills assessments are a requirement for visa applicants even if the applicant has completed their vocational or tertiary education in Australia.⁷³

Concerns about inadequacies in the skills assessment regime

3.62 In contrast, other submitters were of the opinion that the skills assessment regime needs to be strengthened. The Australian Council of Trade Unions (ACTU) expressed concerns that when it had raised the issue of maintaining occupational licencing standards with the Australian Government, such as in the context of free trade agreements, the response had been that visa applicants would 'be required to demonstrate to the [Department of Home Affairs] that they possess the requisite skills and experience' to work in Australia. As a result, the ACTU suggested, decisions on skills assessments 'are being vetted by the [Department of Home Affairs] with little more than a paperwork inspection'. They contended:

This is leading to situations where there is no guarantee that temporary workers will have the same level of skills, health and safety knowledge and qualifications as are required for local workers, potentially endangering themselves, other workers and the public.⁷⁴

3.63 The ETU echoed these concerns, suggesting that in such circumstances the Department of Home Affairs and employers had carried out no genuine assessments of applicants' skills and qualifications.⁷⁵

3.64 The Construction, Forestry, Maritime, Mining and Energy Union (CFMEU) also raised concerns about international trade agreements removing 'mandatory skills assessments for overseas workers in a range of trades'.⁷⁶

Migration Institute of Australia, *Submission 33*, p. 7; Mr John Hourigan, National President and MIA Director, Migration Institute of Australia, *Proof Committee Hansard*, 6 March 2019, p. 25.

⁷¹ Migration Institute of Australia, *Submission 33*, p. 8.

⁷² Joint University, *Submission 46*, p. 11.

⁷³ *Submission 16*, p. 9.

⁷⁴ Australian Council of Trade Unions, *Submission 11*, p. 15. See also Electrical Trades Union of Australia, *Submission 49*, pp. 10–11.

⁷⁵ *Submission 49*, p. 11.

3.65 The ACTU proposed that skills assessment processes 'must be significantly strengthened' by:

- ensuring all testing is performed by an appropriate industry body and not by immigration officials;
- guaranteeing that workers who currently require an occupational license must successfully complete a skills and technical assessment undertaken by a Registered Training Organisation approved by Trades Recognition Australia before being granted a visa;
- introducing a risk based approach to assess and verify workers are appropriately skilled in occupations that do not require an occupational licence; and
- introducing a minimum sampling rate of visas issued in order to verify that migrant workers are actually performing the work the employer has sponsored them to perform.⁷⁷

3.66 Specialist management consultancy firm Cross Cultural Communication and Management called for increased strengthening of the skills assessment regime, proposing that all trade occupations should have mandatory skills assessments, and that assessing authorities be permitted to conduct skills assessments in whichever countries they consider to be appropriate for commercial reasons.⁷⁸

3.67 Other evidence also supported increased requirements for skills assessments in particular industries. For example, the Australian Association of Social Workers stated that skills assessments are not required of every visa applicant:

...only some TSS visa applicants must undergo a mandatory skills assessment as part of the visa application process. For the occupation of social worker, a qualification skills assessment is not required of the prospective employee. For example, the position of Advanced Child Protection Worker does not require this, despite widespread professional recognition that a social work qualification is the most appropriate minimum standard.⁷⁹

- 77 *Submission 11*, p. 7.
- 78 Submission 44, pp. 14–15.
- 79 Australian Association of Social Workers, *Submission* 29, p. 3.

⁷⁶ *Submission 38*, p. 7. See also: Construction, Forestry, Maritime, Mining and Energy Union, *Submission 38*, p. 7.

Length of skills assessment process

3.68 Some evidence raised concerns about how long it takes for a skills assessment to be completed, particularly in the context of other, sometimes lengthy application requirements.⁸⁰ For example, the Migration Institute of Australia stated:

It is not uncommon for skills assessing authorities to require a large quantity of evidence and to take in excess of 3 months to assess an applicant's skills. When added to the extended temporary skills visa processing times by the Department, in effect it may take six months to on-board a suitable visa holder.⁸¹

3.69 Business SA argued that 'skills testing adds delays to the visa application process... [T]he skills assessment process is stringent and exhausting'.⁸²

Overreliance on ANZSCO codes when conducting skills assessments

3.70 Several issues were raised regarding the intersection between the ANZSCO codes for occupations on the skilled occupation lists, and the processes for undertaking skills assessments for those occupations.

3.71 RDA Far South Coast contended that the skills required for particular occupations in some existing ANZSCO codes were either 'not identified at all or...inadequately listed'.⁸³ The Migration Institute of Australia submitted that without 'a descriptor that lists the common skills and tasks associated with these occupations, there is no skills assessment process and often no skills assessing authority'. As a result, the Migration Institute argued, some occupations on the skills lists were effectively 'unusable for employers seeking to sponsor skilled workers'.⁸⁴

3.72 The Migration Institute also expressed concern that skills assessing authorities may be 'rigidly' applying ANZSCO descriptors when assessing an applicant's skills, despite caveats in the introduction to the ANZSCO framework that the descriptions should be used as a guide and not prescriptively.⁸⁵

- 84 *Submission 33*, p. 6.
- 85 *Submission 33*, p. 7.

⁸⁰ Motor Trade Association of South Australia, Submission 24, p. 17; Migration Institute of Australia, Submission 33, p. 7; Cross Cultural Communications and Management, Submission 44, p. 12, fn 7; Mr Glenn Cole, Director, Australian Skilled Migration, Proof Committee Hansard, 5 March 2019, p. 11; Mr John Hourigan, National President and MIA Director, Migration Institute of Australia, Proof Committee Hansard, 6 March 2019, p. 25.

⁸¹ Migration Institute of Australia, *Submission 33*, p. 7.

⁸² *Submission 16*, p. 9.

⁸³ *Submission 34*, p. 3.

3.73 The Law Council suggested that there may be instances where the duties of a position cross several different ANZSCO codes, meaning that they do not fit the skills assessment requirements of any occupation:

For example, a sales and marketing manager... who is... on a salary of over \$250,000 is in a senior management role in a large multinational company, who reports directly to the Chief Marketing Officer. The ANZSCO requirement is that the manager must hold a bachelor degree or five years of relevant work experience. However, the requirement of Australian Institute of Management (the assessing body for managers) to obtain the relevant skill assessment is that the manager's role must report directly to the CEO and that the role has three subordinate management level positions. Despite the fact that the business is not structured in this way, a skills assessment would be refused.⁸⁶

Limited recognition of previous employment experience

3.74 The Migration Institute of Australia submitted that some assessing authorities do not recognise employment experience in lieu of formal qualifications. This had led, it suggested, to a skills assessment system that concentrated on formal qualifications, 'when in many cases what employers are looking for is workers who are skilled on the job, not on paper'. The Migration Institute noted that recognition of prior learning had to some extent led to progress in the recognition of prior skills and experience, but 'these processes can take in excess of twelve months to complete, before the formal skills assessment process can even be commenced'.⁸⁷

3.75 The Law Council of Australia also raised the issue of skills assessments not recognising applicants who may have decades of work experience but no qualifications, particularly if they are aged over 45.⁸⁸ Dr Carina Ford, the Deputy Chair of the Migration Law Committee at the Law Council of Australia, argued that 'for TSS applicants a skill assessment should not be required where an applicant has demonstrated a substantial number of years of work experience in their occupation'.⁸⁹

Different skills assessment requirements based on nationality

3.76 Cross Cultural Communications and Management explained that the approach taken to skills assessments can vary depending on the country of origin of the applicant, and proposed that skills assessments by assessing authorities should be required of all vocational trades, regardless of the applicant's nationality. It submitted that 'employers would prefer that all skilled workers for the occupation, irrespective of source country, are treated equally and are required to undergo skills assessments'. This, it suggested, would provide 'employers a degree of comfort' about the skills of their candidate.⁹⁰

⁸⁶ Law Council of Australia, *Submission 36*, p. 9.

⁸⁷ *Submission 33*, pp. 7–8.

⁸⁸ *Submission 36*, p. 9.

⁸⁹ *Proof Committee Hansard*, 7 March 2019, pp. 23–24.

⁹⁰ *Submission 44*, p. 14.

Committee view

3.77 The issues raised in this chapter address various components in the machinery of the temporary skilled visa system, including:

- the methodology used by the government to determine the presence of skills shortages;
- the process for revising the composition of the skilled migration occupation lists;
- the structure and relevance of the Australian and New Zealand Standard Classification of Occupations (ANZSCO); and
- processes for assessing the skills of overseas workers applying for temporary skilled visas.

Process for implementing changes to the skilled occupation lists

3.78 The committee is concerned by evidence received during the inquiry that various occupations included in the skilled migration occupation lists do not, in fact, appear to be suffering from a shortage of appropriately skilled Australian citizens and permanent residents.

3.79 Given that the stated purpose of the TSS visa is to fill critical skills shortages and ensure that Australian workers are given the first priority for jobs, the primary basis for occupations being included on the occupation lists must be empirical evidence demonstrating a genuine labour market shortage that cannot be resolved through increasing wages or training Australian workers.

3.80 Similarly, if the TSS visa is intended to provide businesses with temporary access to the critical skills they need to grow if skilled Australians workers are not available, it should follow that decisions made on the composition of the lists should reassure all stakeholders that their input and concerns have been taken into account. This includes both the union sector, which is often best placed to provide on-the-ground evidence on whether a reported skills shortage is genuine or not, and industry, which will suffer adversely if it is unable to fill critical vacancies. At present, this does not appear to be the case.

3.81 There is a near total lack of transparency around how final decisions are made on changes to the skilled occupation lists. The advice provided by the Department of Jobs and Small Business following stakeholder consultations to the Minister for Immigration, Citizenship and Multicultural Affairs is not published, and there is very little visibility on how that advice is turned into the final decisions announced by the Minister. Recent changes to the skilled migration occupation lists have been announced with very limited detail as to why certain occupations have been included (or not included), leading to doubt across different sectors that the decisions are anything but arbitrary or subject to ministerial or departmental whims. These concerns could be addressed if the reasons for the inclusion of particular occupations were published.

3.82 As such, the committee considers that future updates to the skilled occupation lists should outline the reasons for including new or removing particular occupations,

or for moving occupations between the Short Term Skilled Occupation List, the Medium and Long Term Strategic Skills List, and the Regional Occupation List.

Recommendation 4

3.83 The committee recommends that the Australian Government publish, in future updates to the skilled migration occupation lists, its reasons for including new occupations, moving occupations between the different lists, or removing occupations altogether that were included in previous iterations of the lists.

3.84 The committee also heard that there is considerable uncertainty about when updates to the occupation lists will be published. For example, updates occurred in July 2017, January 2018, March 2018 and March 2019, with the most recent update occurring almost 12 months since the Department of Jobs and Small Business first commenced a review.⁹¹

3.85 The committee considers that this lack of consistency in relation to the timing of updates has led to uncertainty and further impacted stakeholder confidence in the robustness of the process. The Australian Government should recommit to a regular timeframe for when updates will be released, and publish this information to provide certainty and clarity.

3.86 The committee further recognises the concerns raised in evidence that the occupation lists are overly complex and confusing for anyone but migration agents. The committee proposes that the Australian Government should take these concerns into account when making any future changes to the occupation lists.

The Australian and New Zealand Standard Classification of Occupations (ANZSCO)

3.87 It is not clear to the committee why the Australian Government is relying on an ANZSCO framework that stakeholders have universally described as outdated. The most recent review to the ANZSCO list occurred six years ago. The Australian Bureau of Statistics (ABS) explained to the committee that it had been unable to proceed with a review following consultation in 2017–18 on the need for a review because of funding priorities. The ABS further outlined that its maintenance of the lists will be restricted to updating skill level definitions of existing occupations. However, new occupations regularly emerge and the tasks and ways in which jobs are undertaken are subject to constant change.

3.88 Given the importance of the ANZSCO framework to aspects of the temporary skilled migration system, including skills assessments and the occupations included in the skilled migration occupation lists, the committee considers that a review to the ANZSCO framework is long overdue. 'Maintenance' of the ANZSCO framework is not sufficient to ensure that the temporary skilled migration program is responding to genuine skills shortages or that skills assessments are based on job duties that remain relevant. The Australian Government should sufficiently fund the Australian Bureau of Statistics so that it is able to conduct a review of the ANZSCO framework.

⁹¹ Australian Chamber of Commerce and Industry, *Submission 12*, p. 10.

Recommendation 5

3.89 The committee recommends that the Australian Bureau of Statistics prioritise its review of the ANZSCO framework.

Skills assessments processes

3.90 The committee notes the concerns of various submitters and witnesses about deficiencies in the current skills assessment process. In particular, the committee is concerned that in some instances the requirements for a skills assessment may be limited to no more than a paperwork check by the Department of Home Affairs. The committee considers that training and licensing obligations must be maintained for all skilled trades, with skills testing required for other industries and professions as necessary. Measures to strengthen the skills assessment regime are required in order to ensure that Australians can have confidence in the work being undertaken by temporary skilled visa holders.

Recommendation 6

3.91 The committee recommends that the current skills assessment regime for the skilled visa system be strengthened by:

- ensuring all testing is performed by an appropriate industry body and not by immigration officials;
- guaranteeing that workers who currently require an occupational license must successfully complete a skills and technical assessment undertaken by a Registered Training Organisation approved by Trades Recognition Australia before being granted a visa;
- introducing a risk based approach to assess and verify that workers are appropriately skilled for occupations that do not require an occupational licence; and
- introducing a minimum sampling rate of visas issued in order to verify that migrant workers are actually performing the work the employer has sponsored them to perform.

Need for an independent authority on skilled migration issues

3.92 More fundamentally, the committee considers that the processes for determining skills shortages, reviewing skilled migration occupation lists, and guiding other aspects of the temporary skilled visa system could be improved by the establishment of an independent authority to provide advice and recommendations to the Australian Government on skilled migration issues. This independent authority could be constituted as a tripartite body with equal representation from government, union and employer groups.

3.93 Such a tripartite body was recommended by the Azarias Review in 2014. The review identified the need to provide a more robust evidence-based approach to improving the transparency and responsiveness of the skilled occupation list, and

suggested that a new tripartite ministerial advisory council supported by a dedicated labour market analysis resource could fulfil this function.⁹²

3.94 The committee considers that the functions of a proposed independent authority on skilled migration could include:

- ensuring skilled migration programs provide a benefit to Australia and reflect local labour market needs;
- regularly reviewing a single skills shortage list to add or remove occupations in response to changes in Australia's skills, job market and regional employment conditions;
- providing advice to the Australian Government about current skills shortages and skill bottle-necks, and identifying circumstances preventing local workers from meeting Australia's skills needs;
- projecting Australia's future skills shortage and making recommendations about how to prevent these skills shortages from occurring; and
- reviewing the level of the Temporary Skilled Migrant Income Threshold on an ongoing basis and making recommendations on the Market Salary Rate Framework (see Chapter 2).

3.95 As noted above, the proposed independent authority would need to be supported by a dedicated independent labour market analysis resource. The authority could also play a role in liaising with state and local governments to ensure that regional skills shortages and training initiatives are aligned.

Recommendation 7

3.96 The committee recommends that the Australian Government consider the establishment of a new independent tripartite authority to provide advice and recommendations to government on skilled migration issues.

⁹² John Azarias, Ms Jenny Lambert, Professor Peter McDonald and Ms Katie Malyon, *Robust New Foundations: A streamlined, transparent and responsive system for the 457 programme*, September 2014, pp. 49-51.