



***“Evaluation of the General Skilled Migration
Categories Report”***

Submission to DIMA

By the MIA
September 2006

THE MIGRATION INSTITUTE OF AUSTRALIA (MIA)

The Migration Institute of Australia (“MIA”) is the national professional association for Australian Migration service providers worldwide – working together for the benefit of Australia.

The MIA is the peak body representing the professional interests of its 1,100 (registered migration agent and corporate membership) members throughout Australia.

The MIA is perhaps better known to the Parliament for the exercise of its public responsibilities as the Migration Agents Registration Authority (MARA), under an Instrument of appointment by the Minister for Immigration.

This submission is written to the Parliament in MIA’s representation role as the professional body, and in no way is the submission provided in MIA’s capacity as the industry regulator.

This submission has been drafted by Mark Webster on behalf of the MIA.

1. INTRODUCTION

The MIA has reviewed the Birrell Report and also referred to the 2004 Review of the Skilled Labour Migration Programs.

The Birrell Report (referred to below as “the Report”) makes a number of good recommendations. However, there are a few recommendations which the MIA considers should be modified or reconsidered. There are also some additional possible changes which we would like to suggest should be considered.

We will first give feedback on the recommendations provided by the Report, then give a list of matters which could be considered in reviewing the General Skilled Migration program but which are not covered by the recommendations in the Report.

We would offer the following guiding principles in evaluating changes to the General Skilled Migration program:

- General skilled migration should address long-term systemic skill shortages in the Australian workforce, rather than short-term shortages in unskilled labour
- The market for skilled migrants is competitive internationally, so considerations of what is best for Australia must be balanced against what will be attractive to the most highly skilled applicants who may be able to choose from a number of potential destinations
- A broad and diverse pool of eligible applicants should be created by applying continuous eligibility criteria where possible – the points system is a good example of this.
- Arbitrary criteria which eliminate applicants without sound justification should be avoided
- The system should remain transparent and objective as far as possible
- Changes which result in significant delays in processing applications should be avoided
- Ongoing contributions from employers and state/territory governments should be encouraged

2. REVIEW OF BIRREL REPORT RECOMMENDATIONS

Skilled Occupations List (SOL) and Migration Occupations in Demand List (MODL)

The Report recommends that the current allocation of points to occupations be reviewed. Occupations requiring high level academic or trade skills or vocationally specific training should remain 60-pointers. Trades requiring little vocational training would be changed from 60-point occupations to 50-point occupations. Examples cited are floor finishers and picture framers.

There are probably very few floor finishers or picture framers applying for general skilled migration to Australia, so we question how significant an issue this is. Changing trades from 60-point occupations to 50-point occupations would require re-writing parts of the Migration Regulations which state that a bachelor degree is required to claim 50 points for an occupation.

Points Test General

The Report recommends that the existing pass marks for general skilled migration be maintained.

It also recommends no changes in the allocation of points for Age, Specific Work Experience, Study in Regional Areas of Australia, Spouse Skills and Sponsorship by an Australian relative. We would suggest that all elements of the points test be considered thoroughly, and have some specific recommendations below.

English language threshold requirement

The Report recommends raising the threshold requirement for English to Competent English (Minimum score of 6 in each of the 4 components of IELTS), except for some trades. Points for English would be changed to 15 for Competent English or 25 for an average band score of 7 in IELTS and minimum of 6 in each of the 4 bands.

The additional points for highly competent English will significantly advantage applicants from the UK, USA, Canada, Ireland and New Zealand. Such applicants will effectively obtain an additional 10 points, making it possible for older applicants to meet the pass marks for skilled independent and skilled Australian sponsored visas.

The change in the threshold criteria from a minimum of 5 in each of the 4 bands to a minimum of 6 would affect a significant number of applicants. Exact data are not available, but it is quite possible that this would eliminate 20-30% of applicants who would currently qualify (see Birrell Report, page 30 – percentage of persons obtaining 15 points for English).

The experience of MIA members regarding the IELTS is as follows:

- Changes to DIMA policy requiring IELTS results from almost all non-native speakers has resulted in significant increases in IELTS bookings, with the result that it can take 3-4 months for an applicant to book an IELTS exam in Australia
- Many international students score around 5 in IELTS, and yet complete an Australian qualification and work in Australia whilst studying
- IELTS results can depend to a large extent on exam technique rather than the ability to communicate in the workforce
- There is a certain amount of subjectivity in the speaking and writing sections of the IELTS

- There is variation in the quality of IELTS testing facilities
- An international student is required to provide IELTS results when applying for student visas. IELTS results only up to 2 years old can be considered. As a result they may need to do the IELTS 2-3 times before getting permanent residence

The suitability of the IELTS test should be reviewed, and alternatives such as TOEFL should be considered. Delays in applicants being able to arrange IELTS tests are starting to have a significant impact on processing times for general skilled applications.

We note that the policy changes made in November 2005 are not yet reflected in the employment figures considered in the Report. Prior to November 2005, many offshore applicants received waivers of English language testing if they possessed degree- or diploma-level qualifications which were taught in English. When such applicants were requested to provide IELTS results, many failed to obtain vocational English. Given the significant increase in IELTS testing since November 2005, we suspect that the average English language ability and employability of people granted skilled visas has increased markedly.

If IELTS continues to be the standard test, consideration should be made of changing the minimum requirements for general skilled migration to operate on an overall band average rather than a minimum score across all bands.

The advantage of this system would be as follows:

- Less requirement for applicants to re-sit the exam to obtain minimum scores in each of the 4 bands
- Less reliance on “noise” such as lower quality testing equipment and exam technique
- More predictable outcomes as statistical results are publicly available on overall average scores, but not on applicants scoring a minimum figure on each band
- Consistency with student visa requirements (these are average band scores)

Below are statistics from the IELTS website for overall average IELTS scores for people sitting the General Training IELTS for migration purposes:

Average Score	% in Band	% in Band or higher
Below 4	2	100
4	3	98
4.5	6	95
5	11	89
5.5	17	78
6	20	61
6.5	17	41
7	12	24
7.5	7	12
8	4	5
8.5	1	1
9	0	0

For instance, points could be allocated as follows:

Points	Current	MIA Proposed	% in Band or Higher – MIA Proposal
15	Min 5 in all 4 bands	Average 5.5	78%
20	Min 6 in all 4 bands	Average 6.5	41%
25	NA	Average 7.0	24%

This would give a relatively smooth distribution of points based on IELTS score percentiles.

Recent Work Experience

The Report recommends that the threshold requirement for recent work experience be changed to 12 of the last 24 months of skilled employment. This would apply to all General Skilled Subclasses, regardless of occupation and the employment can be in any skilled occupation (ie not necessarily the nominated occupation).

This change would make the recent work experience requirement consistent across all general skilled subclasses. Currently, there can be anomalous situations where an applicant can meet threshold work experience requirements for some general skilled visa subclasses, but not others.

It will also provide more flexibility for 60-point applicants – they could then have a career break of up to 12 months in the last 24 and still meet visa requirements. Currently, with the 12/18 work experience requirement, the maximum career break they could have would be 6 months.

The MIA supports this change.

MODL (Migration Occupations in Demand List)

The Report recommends that the applicant show they have worked in the MODL occupation for at least 12 of the last 24 months to claim MODL points.

The MIA supports this change, as applicants currently do not need to show that they have any work experience in their nominated occupation. Without recent work experience in their field, their employability in the MODL occupation could be in question.

However, the MIA would like to see some flexibility in the application of this requirement – particularly where an applicant is working in a more senior or closely related role. For example, if an accountant has worked many years as an accountant but is now working as a finance manager, they should still get the MODL points. It is also common in trades for a highly experienced tradesman to work as a trade supervisor or trade trainer, and the MODL points should also be available in this situation.

At this point we would also question the number of points received for MODL occupations (15 or 20 with a job offer). This was originally much lower (5 or 10 with a job offer). This has shifted the emphasis of the skilled program heavily towards MODL occupations. This opens the program to abuses – for instance questions have been asked about how many international students studying hairdressing, accounting and commercial cookery end up working in these occupations.

MODL applicants with a job offer in this occupation in Australia obtain a further 5 points. However, to most MODL applicants, the additional 5 points make little difference to the application. Perhaps these additional points could be opened up to all applicants, not just MODL applicants, as the 5 extra points would be of greater benefit to non-MODL applicants.

Bonus Points

The report makes the following recommendations regarding the allocation of 5 bonus points:

- Remove points for having worked for at least 6 of the last 48 months in skilled employment in Australia;
- Remove points for having a qualification taught in a designated language;
- Allow points for NAATI accreditation at paraprofessional (ie level 2) rather than professional (level 3) level;
- Retain bonus points for capital investment of \$100,000 in Australian bonds.

Removing points for work experience in Australia would appear to work against the aims of the General Skilled program. Prior skilled work experience in Australia is a very good indicator of future employability. The Report does recommend that 10 points be allocated to international students who work in Australia after their courses, but it would appear that others would miss out entirely. This would significantly disadvantage applicants who are, for instance, working in Australia on subclass 457 business sponsorship visas. The MIA does not support this recommendation, and would support an increase in points for applicants with Australian work experience. One option could be to require 12 months of Australian work experience, but allocate 10 points. We note that this would be consistent with what is recommended in the Report for international students.

The allocation of points for having a degree taught in a designated language has always had a “windfall” nature to it. Applicants from countries where language of instruction is English were disadvantaged even if they had excellent skills in more than one language – such countries would include India, Sri Lanka, the Philippines and Canada. However, due to the fact that NAATI does not offer translation exams in all designated languages – Afrikaans is a good example – this change will mean that it is impossible for bonus points to be awarded for some languages.

The current NAATI accreditation exam for professional translators is notoriously difficult. Our understanding is that the paraprofessional level exam will be significantly easier for applicants to pass. The MIA would suggest, however, that the number of applicants who end up using their NAATI accreditation commercially is very limited. The availability of points for NAATI accreditation should be reviewed.

With regard to bonus points for capital investment, meeting this criterion would indicate that an applicant has significant funds to bring with them to Australia. However, the utility of requiring that applicants invest this in state/territory bonds is questionable, and perhaps alternative ways of allocating points for individuals with significant capital should be evaluated.

Australian Qualifications

The Report recommends that in order to receive a waiver of the recent work experience requirement or claim extra points for having an Australian qualification, applicants must either have:

- a 2-year qualification in the occupation; or
- A combination of study and practical experience in Australia taking 2 years.

The MIA would see the introduction of the practical experience option as a very good change. The benefit of an additional year of study, particularly in trades, is in many cases not clear. Practical experience is likely to make students more employable in occupations such as trades where workplace-based training is so critical. Presumably, either a new type of visa or a change to existing visa conditions would be required to facilitate practical experience.

Transitional Temporary Visa for International Students Completing Study in Australia

The Report recommends that a new visa be introduced to replace the Graduate Skilled Visa. This is intended for people who do not meet the requirements for general skilled migration on completion of their course in Australia.

The proposed temporary visa would be open to students who have a 60-point occupation, or PhD or 10 points for study in Australia (ie via completing masters or honours year after bachelor degree or study in a regional area of Australia) to apply for the visa. The visa might be valid for 18 months or 2 years.

Whilst in Australia on the new Transitional Visa, the student would be able to apply for permanent residence. 10 additional points would be available through one of the following:

- Obtaining overall band score of 7.0 in IELTS; or
- Completion of 12 months work experience in nominated occupation; or
- Completion of a 12-month “professional year” in Australia

The MIA supports this change. Most international students are now unable to meet the current pass mark of 120 for skilled independent migration. Giving them a temporary visa to “prove themselves” would increase the level of certainty that international students granted permanent skilled visas will be employable. Giving an extra 10 points might be likely to skew the program further towards international students as currently only 5 additional points are available for better English or work in Australia.

The MIA would suggest that the new temporary visa be made open to all students who might reasonably be able to qualify for one of the onshore general skilled categories. In practice, this would mean:

- 880: 60 point occupation, or 50-point with Australian PhD, regional study or masters/honours after bachelor degree (same as current proposal)
- 881: 40, 50 or 60-point occupation with Australian relative
- 882: 40, 50 or 60-point occupation with Australian relative in a designated area
- 495: 40, 50 or 60-point occupation

The MIA also suggests that the visa be valid for two years, as this gives international students a fair chance to obtain the required 12 months of work experience or to complete a 12 month professional year.

The MIA would suggest that requiring the work experience to be in the nominated occupation is too strict – work experience in any skilled occupation should be acceptable.

The 12-month professional year presumably relates to work experience which is not quite at the skilled level – perhaps law students who complete a period of supervised practice or people completing trade certificates who go onto do apprenticeships. The MIA would support such people obtaining additional points for such work experience.

MIA members' experience with the current subclass 497 graduate skilled visa is as follows:

- Only a paper 497 can be lodged – would be better if electronic lodgement were available, or lodgement through local DIMA offices
- Slow processing times – applications usually take months rather than weeks
- Currently, very few 497s seem to be granted within 6 months of the student completing qualifications. After 6 months, they are not granted at all, and the status of such applications is unclear

Skilled Designated Area Sponsored Visas

The Report recommends that designated areas where the Australian sponsor must be living should be made consistent with the regional areas specified for the SIR visa. This would mean that it will no longer be possible for sponsors living in Melbourne, the Gold Coast and parts of NSW to sponsor for designated area sponsored visas.

The Report recommends that the threshold English language ability for the skilled designated area sponsored category will be raised to competent English. Currently the threshold requirement is functional English in many cases – 4.5 average band score for IELTS. It is quite possible that functional English is too low a bar for primary applicants for skilled migration – statistics from IELTS suggest that 95% of candidates get an average band score of 4.5 or over.

Changes to the Migration Regulations introduced on 1 July 2006 mean that it is no longer possible to apply for a subclass 139 Skilled Designated Area Sponsored (Migrant) visa. Instead, it is possible to apply for a 3-year temporary visa (subclass 496) which requires the holders to live, work & study in the same designated area as their sponsor. A subclass 883 permanent visa has been introduced for such applicants who live in the designated area for 2 years. No changes have been made to the designated areas, or to the corresponding designated area subclasses for international students (subclass 882) or NZ citizens (863). These changes would appear to be of an entirely different nature to those proposed in the Birrell Report.

3. SUGGESTED CONSIDERATIONS NOT COVERED IN THE REPORT

Skilled Occupations List

We suggest that the Skilled Occupations List should be reviewed more regularly, as it appears that there are a number of occupations in groups 1-4 which do seem to be in shortage in Australia but are not on the Skilled Occupations List. Examples include:

- Nurse Managers, Researchers and Educators (ASCO 2321-11 to 2322-13)
- Certain teaching specialisations and school principals (ASCO 2414-11 to 2414-79, 2492-11, 2491-79 and 1293-11)
- Academics and faculty heads (2421-11, 2421-13 and 1293-13)
- Police officers and defence personnel (ASCO 1294-11 to 1294-15)
- Skilled Agricultural Workers (ASCO 4611-11 to 4614-79)
- Agricultural Managers (ASCO 1311-11 to 1314-11)

There have been recent articles in the press about shortages in these areas. Many of these occupations can apply for 457 or ENS visas and the logic for excluding them from the general skilled program is not obvious.

The ASCO dictionary is now close to 15 years old, and no longer gives an accurate reflection of the tasks & duties for many occupations. The MIA welcomes the planned introduction of ANZSCO which will presumably lead to significant changes in the Skilled Occupations List.

Sydney & Selected Areas Skills Shortages List (SSASSL)

The Sydney & Selected Areas Skills Shortages List (SSASSL) applies only to applicants for subclass 138 (Skilled Australian Sponsored) applicants who are sponsored by a relative living in Sydney, Newcastle or Wollongong. It does not apply to applicants for subclass 881 or 862 visas (the equivalent for international students and NZ citizens).

The purpose of the SSASSL would appear to be to discourage migration to these areas. As most GSM subclasses do not place restrictions on where the applicant can live on grant of their visas, the effectiveness of this measure is not clear. The main result would appear to be to punish Australians living in these areas by restricting their ability to sponsor their relatives. In terms of skill level of applicants and settlement patterns, this is an artificial distortion of the skilled program. The MIA recommends that the SSASSL be abolished.

Skills Assessment

The Report mentions but does not discuss in-depth issues regarding skills assessment, which is the first stage of applying for general skilled migration. Some of the issues the MIA is concerned about in relation to skills assessment are as follows:

- Comparatively low requirements for skills assessment for Australian-trained IT professionals and accountants (these make up almost 80% of the current intake through the onshore skilled program). Students may only require a 12 to 18-month course to qualify for skills assessment in these occupations, even if they have no prior background in the area.
- Low threshold requirement for trades skills assessment for international students. Students can currently get through skills assessment in a trade by doing a 12-month Certificate III and 900 hours of relevant work experience. An overseas-trained applicant might need to show up to 7 years of full-time work experience to obtain the same skills assessment.

- Extremely high requirement for skills assessment by overseas-trained doctors, nurses and allied health professionals. The number of applicants for skilled migration in these occupations (apart from nurses) is negligible due to the very difficult assessment criteria.
- Requirement for all 50-point applicants to have a bachelor degree, and all 40-point applicants to have a diploma where such qualifications are not the normal entry requirement for such professions in Australia
- The skills assessing authority for architects, AACA, deserves special mention for its high cost, slow processing, inconsistent outcomes and lack of publicly available assessment criteria or coherent reasons for refusals

45-Year Age Limit

Currently, it is not possible for an applicant to qualify for general skilled migration once they turn 45. Given that many very skilled applicants, particularly in the management and engineering field, would be over 45 and yet still have many years of productive work life to contribute to Australia, this is a change which could have been considered.

The 2004 Skilled Labour Review recommended that the 45-year cut-off be abolished but that applicants over 45 should receive zero points. The MIA suggests that this idea be considered. Other alternatives which could be looked at would be:

- Elimination of age limit for MODL applicants
- Elimination of age limit for skilled independent applicants
- Elimination of age limit where there is a job offer in Australia
- Discretionary waiver for “exceptional circumstances”

A maximum age limit could apply even for the above “waiver” scenarios – perhaps 55 would be an appropriate limit.

Dependent Children

Another change which would assist with the demographic goals of the migration program would be encouraging applicants to bring dependent children with them. Many applicants would have children in high school or university, and include them in their family unit in migrating to Australia. Such applicants have many years to make an economic contribution to the country, and form a similar demographic to the international students who form such a large part of the skilled migration program. One could imagine changes which allocate points for having dependent children of, say, university or high-school age.

Spouse Skills

A skilled spouse currently attracts only 5 points towards the points test. The spouse needs to demonstrate all of the threshold criteria (ie Skills Assessment, English Language Ability, and Recent Work Experience). Given that Australia would be gaining 2 skilled people, it seems reasonable that the number of points allocated might be increased. This was also recommended by the 2004 report.

Australian Sponsorship

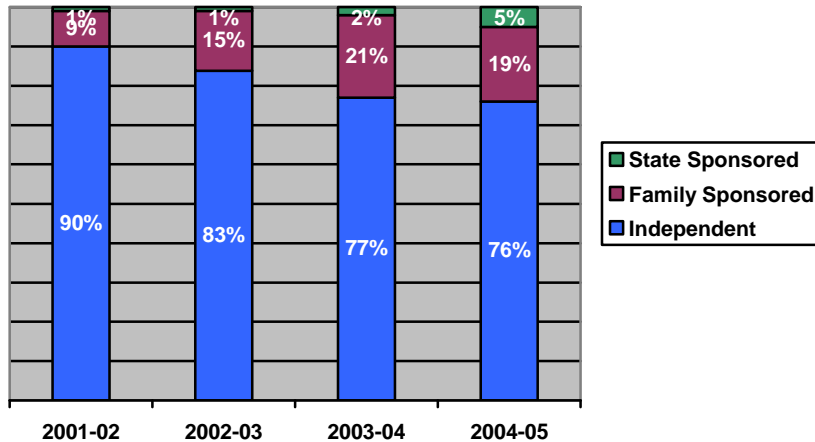
The Report does not question the extremely generous treatment of people who have Australian relatives who sponsor them for migration to Australia. People applying for a Skilled Australian Sponsored visa effectively need to get 25 less points than independent applicants, and if sponsored by a relative in a designated area, there is no pass mark to

be met at all. In short, it is possible to qualify for these visas with a lower level of “skill” than other subclasses. Figures from the Report suggest that the proportion of Australian sponsored applications grew from 9% in 2001-02 to 19% in 2004-05. The chart below groups GSM subclasses as follows:

- State Sponsored: subclasses 134, 137 and 495
- Family Sponsored: subclasses 138, 139, 881 and 882
- Independent: subclasses 136 and 880

General Skilled Program - Split by Type

Number of applications granted in 134, 136-139, 880-882, 495 subclasses



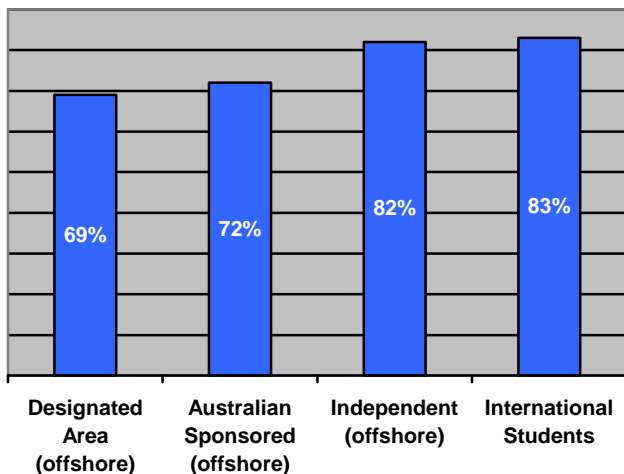
* Source: Birrell Report, pages 19-61

The data are from the Birrell Report – they are in terms of numbers of applications granted and are summarized below:

Subclass	Type	On/offshore	2001-02	2002-03	2003-04	2004-05
136	Independent	Offshore	10498	13540	12276	11828
880	Independent	Onshore	5284	7049	10188	12978
138	Family Sponsored	Offshore	835	1615	2214	2468
881	Family Sponsored	Onshore	137	381	745	855
139	Family Sponsored	Offshore	592	1550	2579	2247
882	Family Sponsored	Onshore	59	270	527	608
137	State Sponsored		84	255	539	905
134	State Sponsored		4	9	51	72
495	State Sponsored					622

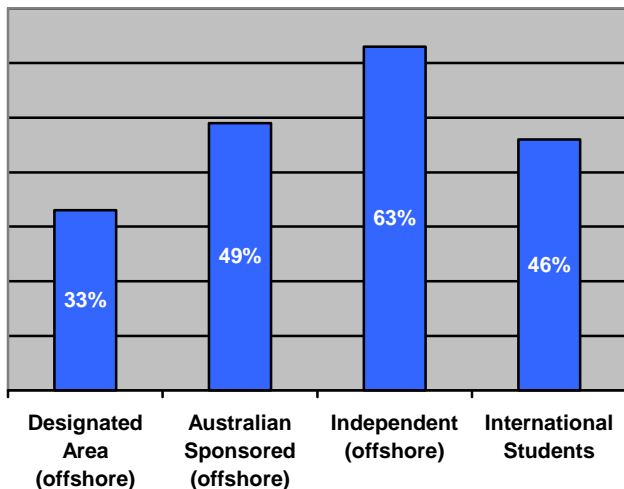
In terms of employability, employment rates and use of principal qualification are far lower for sponsored applicants than other subclasses.

Percent of Applicants Employed 6 months after arrival - 2005



* Source: Birrell Report, page 75

Percent of Applicants Using Qualifications “Often” - 2005



* Source: Birrell Report, page 77

International Students

Significant concessions are given to students completing at least 2 years of study in Australia when applying for general skilled migration. These include:

- Waiver of recent work experience requirement
- Additional points for study in Australia
- Significantly easier to obtain skills assessment
- Ability to apply onshore for general skilled migration

International students have embraced these changes – with a result that offshore applications have reduced in absolute terms, and also markedly as a percentage of the general skilled programs. The chart below summarises the change in 136, 138, 139 migrant subclass applications versus their equivalent onshore international student subclass applications (880, 881 and 882). In 2001-02, offshore applications represented 69% of visas granted, but by 2004-05, they represented only 53%. There are now more

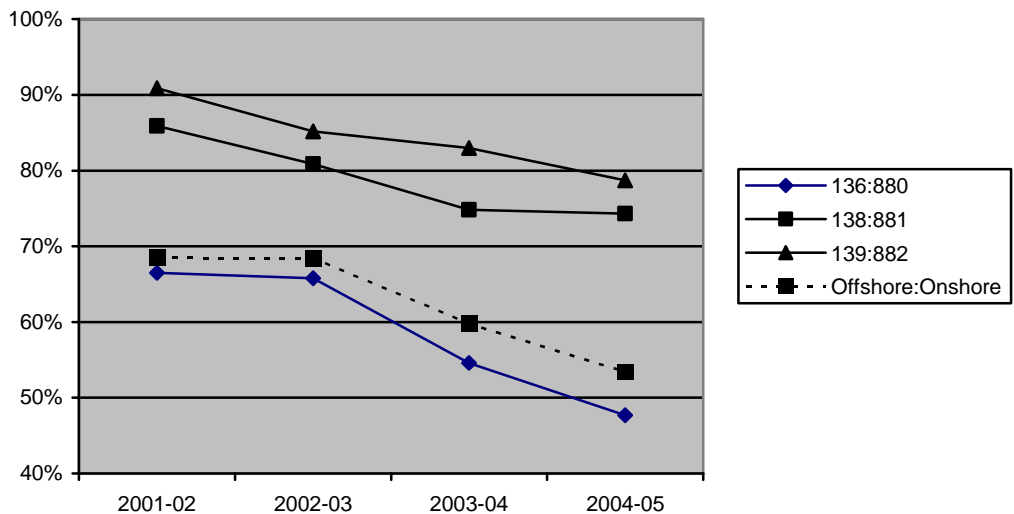
880 skilled independent applications granted than 136 applications. In fact, this effect is understated because:

- some international students also apply for the migrant subclasses 136-139
- some international students apply for STNI or SIR state sponsored visas
- the figures do not include the old offshore general skilled migration categories which are now closed but were still being processed in 2001-02

The chart below expresses the number of offshore applications as a percentage of the total number of onshore and offshore applications of each type (eg the percentages for the 136 subclass are the number of 136 applications granted divided by the number of 136 and 880 applications granted in total).

General Skilled Program - Spit by Onshore/Offshore

Number of applications granted in 136-139, 880-882 subclasses



* Source: Birrell Report, pages 19-61

The benefit of devoting such a significant proportion of the general skilled program to international students should be carefully considered. Close to ¾ of international students apply as either IT professionals or accountants, suggesting there may be a glut in entry-level applicants for these professions. Statistics from the Report suggest that less than half of international students use their qualifications working in Australia, which would seem to defeat the major purpose of giving these applicants preferential treatment (ie possessing Australian qualifications which mean they are more employable in their field in Australia). There is also anecdotal evidence that many international students settle for a few years in Australia, but then either return home or work in another country. The MIA would recommend a thorough longitudinal study of the contribution international students make to the Australian economy long-term.

International students have the highest participation rate in the workforce according to the Report. This perhaps indicates that international students tend to be highly employable, but mainly in entry-level or unskilled jobs. It would be interesting to do an international comparative study to see whether other countries take a similar proportion of relatively inexperienced international students in their migration intakes.

State-Sponsored Migration

The relevant state-sponsored General Skilled Categories are:

- STNI (subclass 137)
- Skills Matching (subclass 134)
- Skilled Independent Regional (subclass 495)

The Report does not deal in detail with these regional options, and no recommendations have been made.

MIA feedback on these subclasses is as follows:

STNI

This subclass is proving popular with applicants, and now more state and territory governments are participating in the STNI program. State and territory governments produce a list of occupations considered to be in short supply in the region, and accept nominations for applicants looking at the STNI subclass. To our knowledge, only NT and Qld do not currently accept initial applications for STNI nominations. Applicants only need to achieve a pass mark of 70 to qualify for an STNI visa. We note that there is greater diversity in occupations and age groups for the STNI visa versus the skilled independent visa, suggesting that the STNI is a good “safety net” for highly skilled applicants unable to obtain 120 points.

This subclass results in a permanent visa, which is a good outcome for applicants. The applicants are expected to live & work in the state or territory which nominates them for 2 years and answer regular surveys sent by the government.

It would be useful to have some feedback from state & territory governments and applicants on the effectiveness of the STNI program.

Skills Matching

This visa is similar to the STNI subclass in that a state nomination is required for the visa to be granted. As yet, only very few skills matching visas are granted.

Significant concessions exist for applicants, including zero initial application fee, and lower threshold requirements for English and work experience.

The MIA would like to see the skills matching subclass promoted more effectively to applicants and state governments as both seem relatively unfamiliar with this type of visa.

Skilled Independent Regional (SIR)

This is a temporary 3-year visa requiring that applicants meet a pass mark of 110. 10 points are provided by state/territory government sponsorship, which is required before lodgement in all cases. This means that the pass mark is effectively 100. SIR holders must not live, work or study outside regional areas of Australia. The SIR does not automatically lead to permanent residence, and the majority of SIR holders will need to wait at least 2 years before applying for a permanent visa, and would generally look at applying for an STNI, RSMS (employer nomination – regional areas), or state/territory sponsored business owner visa.

The planning level for SIR visas for 2004-05 was 9,000 places, but only 1,440 of these were filled. Many applicants find the SIR visa to be an unattractive option for the following reasons:

- It is a 3-year temporary visa
- The cost of the visa is relatively high – costs are similar to a skilled independent application
- There are significant restrictions on where applicants can live, work and study
- Applicants have no access to Medicare, and must pay the highest rates for private health insurance
- There is no guarantee that an SIR holder can move onto a permanent visa
- Many state/territory governments have indicated they will not support all SIR holders for STNI visas (permanent residence)
- Lack of a “safety net” for SIR holders who cannot qualify for permanent residence

DIMA has been very active in promoting the SIR visa. Significant concessions have been introduced for working holiday makers and occupational trainees applying for SIR visas, and the extra 10 points for state sponsorship were introduced on 1 July 2005 in an attempt to boost numbers. We understand that numbers have increased for the 2005-06 year, but are still below the quota.

It seems apparent that this may be an instance where the benefit to Australia/benefit to the applicant equation may be out of balance. The MIA recommends that the SIR visa be reviewed. In particular, it would be interesting to look at the following factors:

- Percentage of SIR holders engaging in skilled work in Australia
- Percentage of SIR holders who are unable to settle permanently in the regional/low population growth area
- Overseas experience in provisional, regional visas

3. CONCLUSION

The Birrell Report raises a number of very interesting issues. However, the MIA is of the opinion that a close and careful study of the entire general skilled program is warranted before major changes are introduced. We suggest that such a study should bring in a range of interest groups to discuss whether the current system is providing the maximum benefit to the Australian community.