

THE IMPACT OF THE SKILLED MIGRATION PROGRAM ON DOMESTIC OPPORTUNITY IN INFORMATION TECHNOLOGY

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High levels of immigration to Australia of information technology (IT) professionals from both offshore and onshore sources have occurred in recent years, at the same time as the domestic IT labour market has been depressed. This article explores the implications of this immigration for domestic IT workers and students. It also examines the role of the Australian Computer Society in facilitating this migration flow.

The Australian Government has announced it is increasing the skilled immigration intake by up to 20,000 places in 2005-06 to a target intake of between 130,000 and 140,000 permanent residence visas. These include visas for both principal and accompanying applicants. The points-tested General Skilled Migration (GSM) program is the main skilled program.

For the last five years, the largest single component of the GSM program has been Information Technology (IT) or Information Communications Technology (ICT) occupations. In 2004-05, some 22 per cent of all visas granted in the GSM were in ICT occupations, down from one-third in 2003-04.

But the ICT component of the GSM program has been an abject failure in public policy terms, and remains so in 2005-06. This article examines why the GSM has failed so badly in relation to ICT migration. It also suggests the

changes needed and the broader lessons to be learnt.

It pays close attention to the role of the Australian Computer Society (ACS) in these outcomes. This is because of the ACS's role in accrediting migrants as ICT professionals under the GSM. A prospective migrant with an ICT qualification cannot proceed with a skilled migration application until his/her qualifications have been evaluated as acceptable for entry at the professional level in ICT in Australia. The ACS makes this judgement for such applicants.

HOW THE GSM FAILED IN ICT

The GSM has been a failure in ICT for two main reasons. First, it has continued to grant large numbers of visas in these occupations over the last four years (Table 1), even though there was serious oversupply in the ICT labour market in Australia for ICT professionals and especially for ICT graduates. The GSM has

Table 1: Visa grants (principal applicants only) in ICT occupations, General Skilled Migration program 2001-02 to 2004-05

	2001-02	2002-03	2003-04	2004-05	Change 2001-02 to 2004-05	
					No.	Per cent
Onshore	3,271	3,013	4,693	5,287	2,016	62
Offshore	4,070	3,059	4,601	3,331	-739	-18
Total	7,341	6,072	9,294	8,618	1,277	17
	Per cent share					
Onshore	45	50	50	61		
Offshore	55	50	50	39		

Source: DIMIA, unpublished data.

worsened an already bad oversupply situation, especially in the graduate market. Second, the GSM-induced oversupply in the ICT graduate labour market since 2001 has been accompanied by plummeting enrolments by Australian students in university-level ICT courses. These enrolments have now fallen to levels not seen since the early 1990s.

For most of the time since 2001, the unemployment rate (as measured by the Australian Bureau of Statistics [ABS]) for computing professionals — the main ICT occupation accounting for 98 per cent of all ICT visas in the GSM — was double the rate for all professionals in Australia. Between 2004 and 2005, the ABS-measured number of employed computing professionals in Australia actually fell by 14 per cent or 22,000 persons.¹

In the case of *onshore* visas (granted to overseas student graduating from Australian universities), the number of GSM visas granted in ICT occupations has increased by 62 per cent in the last four years, to nearly 5,300 in 2004-05 (see Table 1). And between 2003-04 and 2004-05, when around 30 per cent of Australian computer science graduates were still looking for full-time work, the number of onshore visa grants in ICT actually increased again, from 4,700 to 5,300 (see Table 1). The parlous state of the IT graduate labour market has been clear from recent Graduate Destination Survey (GDS) data.

- The proportion of computer science graduates and postgraduates looking for full-time work (four months after graduating) was at record high levels, well above the national average — see Figures 1 and 2.
- The proportion of employed computer science graduates working as computing professionals has fallen from 73 per cent in 1998 to 48 per cent in 2004.

- Between 2001 and 2004, median annual salaries for computer science graduates have fallen from \$40,000 to \$38,000 in nominal dollars (more in real terms).

The decline in IT enrolments at Australian universities by Australian students is closely associated with the worsening labour market for IT graduates since 2001 — see Table 2. Between 2001 and 2004, there was a 36 per cent fall in domestic students commencing IT courses. According to media reports, there was a further decline in 2005 (official data are not yet available) and the decline will probably continue in 2006. For example, first-preference applications for IT courses in NSW for 2006 are reportedly down 17 per cent on 2005 levels.²

On the other hand, Table 2 also shows a dramatic increase in overseas student commencements in IT in 2001. This coincides with the introduction, in mid 2001, of three new onshore permanent residence visas for overseas students on completion of their Australian course.

THE GSM AND IT GRADUATE OVERSUPPLY

The GSM has certainly been the main factor responsible for the IT graduate oversupply. The GSM was effectively increasing the IT graduate labour supply by nearly 80 per cent, at a time when 30 per cent of Australian IT graduates could not find full-time work. The 5,300 overseas student graduates granted GSM visas in ICT in 2004-05 were equal to 58 per cent of all 9,100 Australian residents graduating in IT in 2003 (latest data available), and even more — 78 per cent — of the IT graduates who were available for full-time work (6,825).

If only an additional 800 Australian resident IT graduates had found full-time jobs, the proportion looking for full-time

Figure 1: Australian Bachelor Degree graduates^(a) looking for full-time work,^(b) as per cent of those available for full-time work, 1992 to 2004

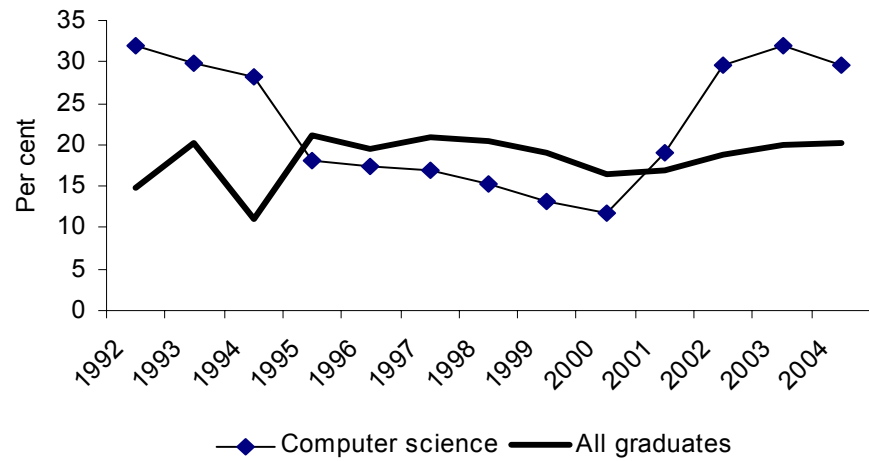
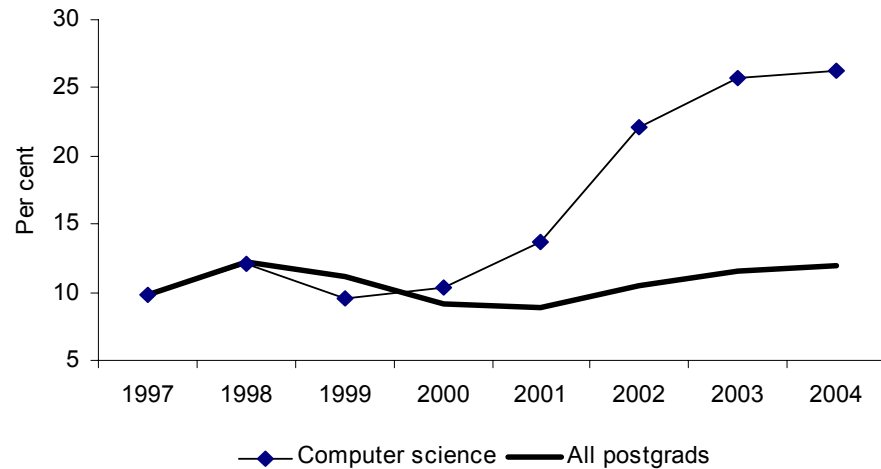


Figure 2: Australian Postgraduates^(a) looking for full-time work,^(b) as per cent of those available for full-time work, 1997 to 2004



Source for Figure 1 and Figure 2: Graduate Careers Council of Australia (GCCA), Graduate Destination Surveys 1997-2004.

(a) All Postgraduate (PG) qualification levels combined: PG diploma and certificate, masters by coursework or research, and PhDs. Australian citizens and residents only.

(b) Those not working at all and those working part-time (and looking for full-time work).

work would have fallen to *below* the national average for all graduates. That 800 represents only 15 per cent of the onshore visas granted in 2004-05. A 2004 unpublished Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) survey found that overseas student graduates in ICT did not do well in the Australian labour market. But even relatively poor outcomes can have relatively large impacts on local graduates as shown below.

The ICT graduate oversupply has probably spilled over into the sub-professional ICT job market. Survey evidence shows a continuing oversupply in the entry-level sub-professional market, consistent with increased graduate competition. Between 2003 and 2005, post course employment outcomes for IT graduates from higher-level Technical and Further Education (TAFE) courses (Certificate IV, Diploma, Advanced Diploma) improved, but they remained much higher than the national average for all TAFE graduates with these qualifications and actually deteriorated relative to that benchmark:

between May 2003 to 2005, the unemployment rate for these TAFE IT graduates fell from 32 per cent to 23 per cent, while the national average for all similarly qualified TAFE graduates fell from 15 per cent to nine per cent.³

GRADUATE OVERSUPPLY AND DECLINING IT ENROLMENTS

Continuing oversupply combined with greater uncertainty have probably been the main factors behind declining domestic student enrolments in IT. The decline has been attributed by some partly to a 'correction' following the dotcom crash of 2000-01. But the data do not show any unusually large growth in student enrolments before or during the dotcom boom.

The more likely explanation is increased student uncertainty about job, career and income security in ICT. The recent memory of the dotcom crash, the reality and threat of offshoring of entry-level and even high-skill IT jobs to lower cost destinations like India, and increased Higher Education Contribution Scheme (HECS) fees are probably all

Table 2: Commencing students in IT, ^(a) 1997 to 2004

	Australian residents	Overseas students	Total	Overseas as per cent of Total	Per cent graduates looking for full-time work ^(b)
1997	16,149	2,410	18,559	13.0	16.9
1998	15,862	2,780	18,642	14.9	15.3
1999	16,582	3,701	20,283	18.2	13.2
2000	16,687	4,646	21,333	21.8	11.8
2001 ^(c)	17,436	15,035	32,471	46.3	19.0
2002	15,997	15,444	31,441	49.1	29.5
2003	13,553	14,006	27,559	50.8	31.9
2004	11,122	14,936	26,058	57.3	29.5
Change 2001-04					
Number	-6,314	-99	-6,413		
Per cent change	-36.2	-0.7	-19.7		

Source: DEST Higher Education Statistics; Graduate Destination Surveys (GCCA).

^(a) Graduate and postgraduate combined, broad field of education Information Technology.

^(b) Bachelor degree, Field of study Computer science, Australian residents only.

^(c) Series break in commencing students data in 2001. For further discussion of the implications of this break see the accompanying article by Birrell *et al* on engineers.

factors. The HECS increase will sharpen the focus on likely returns from investing in an IT degree. According to a November 2005 report by the High Fliers survey group, graduates in 2004 (all fields of study surveyed) expected an average HECS debt of \$22,000 while 2005 graduates were expecting \$27,000.⁴

If IT graduate employment outcomes had not deteriorated so much since 2000, and had remained closer to the national average, the fall-off in Australian student enrolments would almost certainly not have been so great. It is unrealistic to expect any upturn in Australian student demand for IT courses without a significant improvement in IT graduate employment outcomes.

GSM VISAS IN ICT IN 2005-06 AND BEYOND

The number of GSM visas granted in ICT is the result of two things: ACS professional assessment standards for immigration, and DIMIA policy and administration of the GSM.

In April 2005, the ACS released a policy statement⁵ on skilled immigration. This acknowledged that the GSM was causing a major oversupply problem in ICT especially for graduates. The ACS policy called for major changes to DIMIA's administration of the GSM (see below, next section) but did not address the ACS's own migration criteria, nor has it done so since then. The ACS plays a crucial role in the scale of ICT migration because it has been designated by the Coalition Government as the accrediting authority for IT occupations. As noted above, the ACS is obliged to set the standards of education and experience required for recognition as a professional in the ICT field in Australia.

In 2005-06, the number of ICT visas granted in the GSM will therefore be

based on the same ACS criteria as in 2004-05. Most visas in the GSM are points-tested. From April 2005, the visa pass mark for the main onshore visas for overseas student graduates was raised from 115 to 120 points in the GSM, the same level as that applying to the main offshore visas for all of 2004-05. The current financial year (2005-06) will therefore be the first full year that overseas student graduates will need 120 points for the main onshore visas. This is the only change to the GSM potentially affecting the number of onshore visas for ICT professionals in 2005-06 compared to the previous year.

In 2005-06, the number of *offshore* visas in ICT could be similar to 2004-05 (3,300). That assumes a similar number of visa applications, a similar proportion reaching the 120 points required for a visa, and no change to DIMIA processing practices for ICT offshore visa applications.

Based on past experience, about 55 per cent of all overseas student graduates in ICT (onshore) have applied for and been granted GSM visas each year.⁶ In 2005-06, the number graduating will be similar to last year. If the 55 per cent application and success rate applied in 2005-06, then some 5,000 onshore visas would be granted in ICT on a 115 points passmark. The question is how many would get the 120 points now needed.

Overseas students graduating from Australian universities in ICT could usually reach the 115 points required for an onshore visa easily, mainly because ICT occupations have been classed as a 60-point occupation on the Skilled Occupation List or SOL: the additional 55 points would come for age (30 points for being under the age of 30), 'Competent' English (20 points — see also below), and a minimum of five points for Australian training.

The five additional points needed to reach 120 points could come in several ways under current GSM rules, including: fluency in a DIMIA-designated 'community language' (five points), and spouse skills (five points). If any ICT skills are put back on the Migrant Occupations in Demand (MODL) list, then a further 15-20 points are available there. The community language five points looks the most likely source of the extra points applicants will need. This test is satisfied if applicants have completed an undergraduate degree in an overseas university where the language of instruction was one of Australia's designated community languages (which include many Chinese and Indian languages), or if they pass a language test. The implication is that most IT graduates will be eligible for a visa, but that the numbers will not be as great as in 2004-05. As a consequence, the GSM will continue to impact severely on the prospects of domestic aspirants in IT.

THE ACS POSITION ON THE GSM

On the GSM, the ACS proposed in its April 2005 policy statement that:

- a) The intake of recent ICT graduates through the GSM (for example overseas student graduates and postgraduates from Australian universities) should be 'substantially reduced' until:
 - The market can absorb the level of ICT graduates from Australian universities
 - The intake to ICT courses stops declining and begins to increase
 - The unemployment rate for ICT professionals falls to levels in line with that of all professionals in Australia
- b) This reduced intake of ICT graduates could be achieved by reducing the number of points for particular ICT occupations or specialisations in oversupply 'without

affecting ICT areas there are (sic) considered to be a skill shortage'.

The ACS declined to suggest the size of the reduction needed in the recent ICT graduate intake from the level of 4,700 visas in the 2003-04 GSM. Its view was that 'this is a role for Government...'⁷

The ACS did not propose reducing the number of offshore visas in ICT — though this actually occurred in 2004-05 (Table 1), mainly due to the increase in the pass mark referred to above.

COMMENTS ON THE ACS POSITION ON THE GSM

In 2004-05, onshore visa grants to recent overseas student graduates were not 'substantially reduced' but actually increased by 13 per cent compared to 2003-04 (see Table 1). (The ACS forwards quarterly reports to the government on the numbers it has assessed as 'migration suitable', so presumably would have known if these were rising.)

In the half-year since May 2005, the ACS does not appear to have been successful in persuading the government to restrict visas issued to ICT professionals under the GSM. There has been no change to the number of GSM points for the particular ICT occupations where over 95 per cent recent graduates are concentrated. These are the programmer occupations in the computing professionals group — Applications and Analyst Programmer (ASCO 2231-17) and System Programmer (ASCO 2231-19). In the November 2005 DIMIA *Skilled Occupation List*, these are still classed as 60-point occupations, while DIMIA has removed some other non-ICT occupations from the list altogether (for example, Aircraft Pilot).

The ACS position on recent graduates in the GSM is good, as far as it goes. But further changes are needed. For a start, the ACS should review its own

professional accreditation standards for migration assessment. Two areas where standards appear low relative to market requirements are minimum English language skills for all ICT migrants and the minimum duration of study in an Australian university.

Minimum English language skills for skilled immigration

The ACS currently has no minimum English language skills standard for migration skills assessment, unlike some other professions. The ACS effectively defaults to the DIMIA minimum standard for the GSM, including sub-professional occupations. This is currently 'Vocational English', defined by DIMIA as at least Band 5 on the International English Language Assessment Testing System (IELTS) in all four test components (speaking, listening, reading and writing).

Vocational English gives 15 points towards the GSM visa passmark while the higher level of 'Competent' English (IELTS Band 6) gives 20 points. DIMIA describes the Vocational English standard as follows:

You must have a reasonable command of the English language, coping with overall meaning in most situations. You must be able to communicate effectively in your own field of employment.

And it defines the Competent English standard as:

You must have a generally effective command of the language. You must be able to use and understand fairly complex language, particularly in familiar situations.⁸

Some professions have established their own English language skills standards above the DIMIA minimum. These range from IELTS Band 6 ('Competent English') to Band 7 or higher. Engineers Australia requires

IELTS Band 6, even for engineering sub-professionals as well as professionals.

Medical and health professions generally have set their English language standards at IELTS Band 7 (with a minimum score of 6 in each of the four components), or an 'A' or 'B' pass on a profession-specific Occupational English Test. Professions covered include doctors, nurses, pharmacists, physiotherapists, veterinarians, radiographers, occupational therapists and others.

There is a strong case for the ACS to establish a minimum English language skills standard for migration, based on an independent expert assessment of the language levels actually required for ICT professional work in contemporary Australia (as did the medical/health professions just described). There is also a case for the ACS to establish its own 'Occupational English Test' for the professional ICT workplace in Australia.

The English language skills actually required for ICT professional work may well be closer to the Band 7 IELTS of the medical/health professions than to the current ACS 'default' minimum of Band 5. It is difficult to accept that ICT professional work in modern Australia requires only 'a reasonable command' of the English language.

The case for a higher level of proficiency in English is supported by experience from other immigration programs known to the ACS and by ICT market trends identified by the ACS itself. The 457 visa (temporary skilled entry) and the Working Holiday Maker visa (visa subclass 417) clearly show the market importance of higher-level English language skills for ICT professionals in Australia.

This becomes clear when we realize that around 80 per cent of employer-sponsored ICT professionals

granted 457 visas are from the main English-speaking countries: the UK, the Irish Republic, USA, the Republic of South Africa, Canada, and India.⁹ Excluding Indian nationals on 457 visas (employed mainly by Indian IT services and offshoring firms operating in Australia), around 70 per cent of 457 visa-holders in ICT are from the other five English-speaking countries listed above.

There is limited research data and much anecdotal evidence that British, Irish and Canadian IT professionals who are native English-speakers on Working Holiday Maker (WHM) visas are highly regarded in the Australian marketplace. For example, in June 2004, an estimated 2,000 WHMs were working as computing professionals in Australia (ACS 2005 Policy Statement, based on the author's own estimate).¹⁰

The English language skills of ICT migrants in the GSM are probably low, on average, relative to some other professions. In the last four years, possibly 20 per cent of all ICT migrants had only the minimum Vocational English. DIMIA data (published and unpublished) shows that:

- Of ICT migrants granted visas *offshore* in the GSM between July 1999 to May 2002, just over 20 per cent had language skills assessed at Vocational English (that is, equivalent to Band 5 in the IELTS).¹¹
- In 2004-05, high proportions of overseas student graduates granted the main *onshore* visa also had only Vocational English. This is especially true of those from the main source countries for ICT graduates — 43 per cent of those from China and between 16 to 23 per cent of those from Indonesia and Bangladesh. These successful applicants were in *all* occupations (not just ICT).¹²

The Australian marketplace clearly favours GSM migrants with good English language skills. A 2005 DIMIA study surveyed skilled migrants in all occupations about six months after arrival in Australia (offshore visas) or being granted visas (if onshore visas). It found that 27 per cent of those reporting they spoke English 'Not Very Well' were unemployed compared to only seven per cent of those reporting they only spoke English, or had 'Best' English.¹³

The ACS has identified two market trends demanding high levels of English language skills: the growing demand for business skills and 'soft skills' in the skill sets of computing professionals, and the 'onshoring' market growth strategy.

'Soft skills' mean non-technical skills in areas like project management, communication skills and in managing relations with clients, business partners, or outsourced suppliers. Excellent English and communication levels are critical to these skills.

The ACS sees the onshoring strategy as vital to ICT employment growth in Australia, partly to compensate for Australian ICT job losses to lower-cost offshoring destinations like India. 'Onshoring' means promoting Australia as a niche offshoring destination in high-end ICT services for higher-wage English-speaking countries like USA and UK,¹⁴ and for others like Japan. High-end services include technology-enabled analytics such as business intelligence, risk management and research and development.¹⁵

The ACS claims that the 'advanced English skills' of Australia's ICT professionals are a key source of competitive advantage for this strategy. Australia's relatively mature technology market and financial sector, and its advanced English skills and strong

problem-solving capabilities are key differentiators, as is our cost structure, at about 30 per cent lower than that of Europe, the US and Japan.¹⁶

The current ACS policy of having no profession-specific English language standards for migrants is not consistent with these market requirements. Far from delivering ICT migrants with ‘advanced English skills’, it has almost certainly been lowering the average English language skill levels of Australia’s ICT workforce, effectively ‘de-skilling’ the ICT workforce.

Minimum duration of study in Australia

The current ACS minimum for overseas students is effectively, again by default, the DIMIA minimum: two academic years full-time study in Australia (or four semesters full-time), or (from September 2005) four semesters completed within 16 months. It is not clear if the ACS will adopt these new DIMIA requirements. Since September 2002, the ACS minimum officially has remained at 18 months, or three semesters full-time study, with at least two-thirds IT content.

The ACS should review its minimum Australian qualifications standard for overseas students studying in Australia, and — as with English language skills — establish a standard based on actual evidence for what is now required for ICT professional employment in Australia. It is likely that a review would find the minimum ACS qualifications standard should be raised to a three year Bachelor degree with an IT specialisation.

Such a review is overdue for several reasons. First, most (nearly 60 per cent) of overseas student graduates granted onshore GSM visas in ICT complete only postgraduate courses, not the more

demanding bachelor degrees. They mainly complete masters by course work or postgraduate diploma/certificate courses, with only a handful completing higher-level programs like PhDs. In addition:

- It is incongruous that the minimum Australian study requirements for an Australian profession are effectively being set by DIMIA and not the professional accrediting body.
- There is concern about whether degrees obtained in some overseas institutions are in fact equivalent to Australian degrees. This concern was heightened recently by a 2005 Auditor-General’s report critical of the methods of assessing overseas qualifications used by the Department of Employment, Science and Training (DEST).¹⁷

But most importantly, there is little evidence that overseas student graduates from two-year postgraduate ICT courses in Australian universities can find employment as ICT professionals at the same rate as those completing three-year bachelor degrees. This is the main test by which these postgraduate courses should be assessed, after controlling for other factors such as differences in English language skills.

As noted earlier, the ACS assigns nearly all overseas student graduates and postgraduates who apply for onshore visas to the programmer occupations. Effectively the ACS is saying these are sufficient qualifications to secure an entry-level ICT professional job in Australian ICT. But the basis on which the ACS considers applicants from shorter postgraduate courses able to find work as programmers or professional level ICT occupations in the Australian labour market is not clear.

Many postgraduate courses do not claim that they will lead to professional

ICT employment in Australia, in contrast to the three-year bachelor degrees. Postgraduate course entry requirements do not always require an overseas bachelor degree in IT or its equivalent. These short postgraduate courses in ICT (one to two years) were designed mainly for the overseas-student market. The course duration and content were determined largely by the DIMIA-required minimum duration of Australian study.

As of mid-2005, the ACS had not researched the extent to which these postgraduates (or even graduates) have been able to find work as programmers or other IT professionals over the last five years. The 2004 DIMIA survey of former overseas students who have qualified for permanent residence onshore (mentioned above) might shed light on this, but DIMIA has not publicly released the findings of these surveys.

Published data on the experience of Australian domestic ICT graduates and postgraduates is not conclusive. But it does suggest that postgraduates have not done as well in the entry-level ICT labour market as have those with undergraduate degrees. The April 2004 GDS data show that, of all those with computer science qualifications and available for full-time work, fewer postgraduates were working as computing professionals compared to those with bachelor degrees (26 per cent versus 34 per cent).

This almost certainly overstates the value of postgraduate IT qualifications relative to bachelors degrees in the *entry-level* professional IT job market. Australian postgraduates are much more likely to be already employed while studying, many in senior positions. Two-thirds of all employed postgraduates were already working in their final year in 2003 for the same employer they had in April 2004, nearly four times as many as graduates in full-time work (67 versus 17 per cent).

If that already-employed group is excluded then, according to the GDS, postgraduates do much worse than bachelor-degree graduates of IT. According to the 2004 GDS, of postgraduates not employed in their final study year, 52 per cent were still looking for full-time work four months after graduating compared to only 34 per cent of those with bachelor degrees.

If the ACS had raised the Australian training standard to a three-year Bachelor degree this could have produced a one-off reduction of 60 per cent in onshore visa numbers in ICT. By this policy the ACS itself could therefore have delivered the 'substantial reduction' it called for in onshore visas.

CONCLUSIONS AND RECOMMENDATIONS

What should be done in the GSM regarding ICT?

As well as the reviews of ACS migration standards outlined above, the following is needed in the GSM.

First, the Minister for Immigration should publicly endorse the ACS position on GSM visas for recent overseas graduates, *viz.* that the number will be 'substantially reduced' until the labour market can absorb Australian IT graduates, and until the number of Australians commencing IT courses starts to increase.

Second, the two dominant computing professional occupations in programming should be immediately taken off the Skilled Occupation List (SOL), the list of occupations for which GSM visas can be granted. These are Applications and Analyst Programmer (ASCO 2231-17) and System Programmer (ASCO 2231-19). More than 95 per cent of overseas-student graduates granted onshore visas are concentrated here. There is no justification for these entry-level occupations staying on the SOL.

If particular programming languages or ICT specialisations are found to be in genuine shortage, these can be put back on the SOL just as they go on and off the MODL. But there should be objective evidence for the shortage, and it should be made publicly available.

Should this action be taken until conditions improve for Australians, the 'substantial' reduction in onshore graduate visas would be close to 100 per cent. Thus this action would mean very few onshore GSM visas for overseas students in some years, probably reduced overseas student enrolments in university IT courses, less fee revenue and adjustment costs in university IT departments.

The reality is that there is no alternative. The adjustment will be more difficult than it need have been because the situation has been allowed to drift for so long.

Third, any ICT specialisations found to be in shortage over the next few years should not be placed on the MODL until serious efforts have been made to retrain recent Australian graduates, IT professionals and recent ICT migrants in these skills. We need employer-sponsored retraining programs (including industry experience) which should be funded mainly by the Federal Government and which should provide a reasonable standard of income support. The case for Federal Government funding is that these graduates have been seriously disadvantaged, not by market forces, but by government decisions which have resulted in the GSM-induced IT graduate oversupply.

It would be grossly unfair if this kind of training program were not provided, and these ICT skill specialisations instead went straight onto the MODL. Under the current points system, the extra points from the MODL (15-20) would virtually guarantee a GSM visa.

Fourth, the idea of a new temporary work visa allowing overseas student graduates to stay in Australia after graduating, which was mooted at the November 2005 Symposium on the evaluation of the GSM,¹⁸ should be rejected in the case of ICT graduates. This was one of several reform proposals floated at the Symposium by the Panel appointed by the Coalition Government, early in 2005, to review the GSM.

The proposal in question would introduce a new two-stage visa for overseas students wishing to become permanent residents under the GSM. The first stage would be a temporary resident visa of two to three years duration. If during this time the visa holders can find an employer prepared to provide professional-level experience, or to commit to a structured on-the-job training program in their field of qualification, they would later be eligible to apply for a permanent residence visa. If not they would have to leave Australia. The rationale for this visa is to allow overseas student graduates to gain professional-level work experience in Australia, as a forerunner to them being granted a permanent residence visa in the GSM. Large numbers of overseas student graduates in ICT could qualify for this new visa if the proposal presented at the Symposium was implemented.

This visa option would be a boon for overseas-student graduates and the Australian international education industry. The international students lobby group, the National Liaison Committee for International Students, has welcomed this style of visa. In October 2005, its national convenor, Askay Saraf, said:

We have been pushing for this because we think it's only fair that international students get a right to stay here to look for work in their area of expertise... Once you work for one year it will be much easier to

get permanent residency in Australia, because you've already worked in Australia.¹⁹

As well, foreign work experience (especially in multinational companies) as distinct from a foreign degree is increasingly important for those international students intent on returning home, for example, to China.

But the proposed visa would damage the interests of Australian ICT graduates competing against migrants on these visas. It would mean increased competition for entry-level IT graduate jobs, since having a job is the basis of an employer-sponsored structured training program and hence the visa. These are exactly the kind of jobs that are in short supply in Australia, and likely to be so into the future.

This visa could therefore have the same results as the GSM over the last four years. Universities will undoubtedly market this program aggressively to employers, since it is an effective marketing tool for their international education efforts. Employers may be willing to take up this visa. This is because trainee wages are below market rates for graduates.

The main problem that Australian IT graduates face already is trying to get a foothold in the IT labour market without practical experience, since work experience is what the IT labour market demands. Undergraduate courses that include even short industry placements are in high demand because of this. Currently, relatively few IT employers are willing to sign on for undergraduate industry placements because of the work

involved in managing such programmes.

It is Australian graduates who need this kind of structured entry-level ICT training program, not overseas student graduates. The Australian Government and ICT industry should be putting their efforts into developing this kind of program on the scale needed. This situation is unfortunately symptomatic of the larger problem with ICT in the GSM, namely that the GSM is better serving the interests of migrants than Australian residents.

BROADER LESSONS FOR THE GSM

The main lesson from the IT experience in the GSM is that the closer linking of international education policy and the GSM has so far delivered less, not more, flexibility to the GSM. Onshore visas for overseas student graduates have, in practice, made it harder to 'turn off the tap' when local market conditions change. In IT, the higher education 'tail' has been wagging the GSM 'dog', to the detriment of Australian graduates. But the GSM is meant to serve the national interest. The Australian higher education industry is a sectional interest in immigration, but its interests have come to dominate policy on the issue.

The linkages between international education policy and skilled migration create conflicts of interests in the GSM program that, so far, have not been well-managed. The skilled migration program is riddled with such conflicts. If onshore visas continue to grow as a proportion of the total GSM program, more effective ways for managing these conflicts of interest will need to be found.

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- ⁵ Australian Computer Society (ACS), 'ACS Policy Statement on Immigration', April 2005; and 'ACS calls for industry policy to better align with industry needs', ACS media release 29 April, 2005
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The following text was left out of *People and Place* vol 13, no. 1, 2005, 'Sydney at the millennium', by Angélique Parr and Alison Culpin. Please insert at the end of page 36, just before Table 3. We apologise for any inconvenience this might have caused.

The largest group of arrivals from other parts of New South Wales tended to be slightly younger, peaking in the 20 to 24 year group. This suggests a movement of young school leavers to the state capital for tertiary education and early employment opportunities, while graduates and people with employment experience were equally likely to consider a move interstate or abroad.