

COOKS GALORE AND HAIRDRESSERS APLENTY

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Overseas student commencements in cooking and hairdressing courses have nearly tripled between 2004 and 2006. This growth reflects the advantages which Migrant Occupations in Demand List (MODL) listing of these two occupations has given for those seeking permanent residence in Australia. The article critically examines the standards of the Registered Training Organisations providing the training. In particular the state and federal regulatory bodies which oversee their operation do not assess the competency of those completing these courses. The article concludes that only a minority of those completing these courses and subsequently gaining permanent residence will actually enter the cooking and hairdressing occupations in Australia. There is an urgent need for reform to the procedures by which occupations come to be listed on the MODL and of the skilled migration regulations which have allowed the situation to develop.

INTRODUCTION

Since mid-2001 the Australian government has provided incentives for overseas students studying at Australian universities to apply for permanent residence after completing certain university courses. This has prompted a surge of enrolments in these courses. Students completing accounting and information technology have dominated this particular means of gaining permanent residence.¹ By 2004–05, the onshore skilled overseas student visa categories (880, 881 and 882) constituted a major component of Australia's skilled migration program.²

A similar pattern is currently unfolding with overseas students who have completed

trade level courses in Australia. This may be read as good news, since there are serious shortages in some construction, metal and electrical trades. But that is not where the immigration growth is occurring. Rather, it is among cooks and hairdressers. As indicated in Table 1, onshore skilled overseas student visas issued to cooks, and to a lesser extent hairdressers, increased sharply from 2001–02 to 2005–06. By contrast, Table 1 shows that there were only a tiny number of visas issued to former overseas students in other trade occupations.

A further surge in the number of visas for overseas students who have completed training in cooking and hairdressing is about

Table 1: Occupations of principal applicants visaed under visa subclasses 880, 881 and 882, 2001–02 to 2005–06

	2001–02	2002–03	2003–04	2004–05	2005–06
Cooks	58	93	265	409	884
Hairdressers	12	13	44	89	153
Other tradespersons	41	69	125	275	263
All other occupations*	5,369	7,525	11,026	13,668	14,083
Total	5,480	7,700	11,460	14,441	15,383

Source: Department of Immigration, Multicultural and Indigenous Affairs (DIMIA), unpublished visas issued data

Note: * These occupations are mainly accountants and computing professionals

to occur. This expectation stems from two sources. First, there has been a sharp recent increase in commencements in courses of study in the field of ‘services, hospitality and transport’, which includes commercial cookery and hairdressing, within the vocational training and education (VTE) sector shown in Table 2. Second, we believe that most of this growth is from overseas students interested in gaining a permanent residence (PR) visa on completion of their course. Table 2 indicates that:

- Between 2002 and 2006, the number of overseas students commencing vocational courses in the services, hospitality and transport field nearly quadrupled, from 4,516 to 17,869.
- Most of the growth took place between 2004 and 2006 when total commencements increased by 167 per cent, or 11,181.
- Based on recently released DEST statistics, this field accounted for 64 percent of total international commencements growth in the VTE sector between 2005 and 2006.³

- This growth was concentrated overwhelmingly in courses run by non-government or private training providers, which attracted 87 per cent of additional commencements between 2004 and 2006 (9,757 out of 11,181). The non-government sector had an 80 per cent share of all overseas student commencements in these fields in 2006.

There are two possible objections to the claim that visa applications based on cooking and hairdressing credentials will rise. One concerns the assertion that cooking and hairdressing dominate the ‘services, hospitality and transport’ field. Unfortunately the AEI database from which the enrolment data are drawn does not provide separate figures for commencements in cooking and hairdressing. Our confidence that enrolments in the ‘services, hospitality and transport’ fields are mainly in these courses derives from informants in the sector and from enrolment data taken from the Australian Council for Private Education and Training (ACPET) website.

Table 2: Overseas student enrolments and commencements in services, hospitality and transport* courses in Australian government and non-government vocational education training institutions, period to November 2002 to 2006

	2002	2003	2004	2005	2006	Increase 2004 to 2006 per cent
Enrolments						
Government	2,811	3,208	3,486	4,673	6,308	81.0
Non-government	5,116	6,439	7,798	11,979	22,047	182.7
Total enrolments	7,927	9,647	11,284	16,652	28,355	151.3
Commencements						
Government	1,674	1,902	2,209	2,807	3,633	64.5
Non-government	2,842	3,626	4,479	7,716	14,236	217.8
Total commencements	4,516	5,528	6,688	10,523	17,869	167.2

Sources: Department of Employment Science and Training (DEST), Australian Education International (AEI) data, 2002 to 2006

Note: * This category includes a variety of certificate courses including aged care, tourism, beauty services and floristry. However, the great majority of overseas students are enrolled in cooking and hairdressing.

The second possible objection concerns the alleged link between enrolments in these fields and subsequent applications for 880, 881 or 882 visa subclasses. There were some 6,688 commencements in the 'services, hospitality and transport' field in 2004 but only a little over 1000 visas issued to applicants for these visas for cooks and hairdressers in 2005–06, a period when most of these 2004 commencers would have been eligible to apply for PR. But we expect a higher proportion of commencers, particularly in the cooking field, will apply for PR in the immediate future. This is because cooking was first listed on the Migrant Occupations in Demand List (MODL) in May 2005. As explained below, by this time, the attainment of credentials in a MODL listed occupation had become crucial if a student wished to obtain PR. This circumstance helps explain the dramatic increase in commencements in the 'services, hospitality and transport' field in 2005 and 2006 shown in Table 2.

The sudden availability of this opportunity for PR also helps explain the simultaneous rapid entry of private training organisations attuned to the overseas student market into the VTE cooking marketplace, as detailed below. The first concrete signs of the hypothesised surge in PR applications for cooks and hairdressers of such organisations is being registered at Trades Recognition Australia (TRA), the body responsible for assessing the trade credentials of PR applicants. According to data provided by TRA, the number of applications for assessment on the part of onshore cooks was 1104 in 2005–06. For 2006–07 (year to February 2007) there were 1743 applications. This implies at least 2500 for the full year 2006–07 and probably more, given that the normal pattern is for applications to be high through March, April and May. Hairdresser applications are also expected to double from 277 in 2005–06 to around 550 in 2006–07.

The article begins by exploring why the expansion of permanent immigration from former overseas students with trade qualifications will be primarily amongst cooks and hairdressers. There are some shortages of cooks and hairdressers, but nothing on the scale of vacancies for tradespersons in the traditional metal, electrical and construction trades. It then examines the characteristics of the non-government providers of cooking and hairdressing courses. What is the quality of their courses? Will the students who complete the training in question, and who go on to obtain PR, actually fill gaps in the cooking and hairdressing workforce? If as is argued, few fill such gaps, how is it that the government agencies involved in the migration process have let this situation develop?

THE SETTING: THE ONSHORE OVERSEAS STUDENT PR VISA PROGRAM

Since mid-June 2001, former overseas students trained in Australia have been encouraged to apply for PR on completion of their university or trade courses. To do so, they have to meet criteria set in place by the Department of Immigration and Citizenship (DIAC). For most skilled migrants this involves an assessment hinging mainly on the skill level of their occupation, their age, job experience, and English language proficiency. As far as former overseas students are concerned, only those with certain professional or trade qualifications in occupations designated as '60-point occupations' are eligible to apply onshore. Cooks and hairdressers are included in the eligible trade occupations. If they are to be granted PR, applicants must reach a certain number of points (currently 120) on the basis of scores allocated for each of the assessment items. The Australian Government has encouraged recruitment of former overseas students by granting them an ad-

ditional five points for their Australian training and by waiving the necessity for work experience in their nominated occupation, a criterion that applies to offshore applicants for skilled migration PR. As long as former overseas students apply for PR within six months of completing their course, and possess training acceptable for one of the '60 point' professional or trade occupations listed on DIAC's Skilled Occupation List (SOL), they are eligible to apply for PR under the three onshore student categories (880, 881 and 882).

The addition of cooking to the MODL list in May 2005 (hairdressing has been listed since 2001) has played a crucial role in determining the PR prospects for former overseas students because, if an applicant's nominated occupation is on the MODL, he or she gains an extra 15 points or an extra 20 points if they also have a firm job offer. These extra points are vital because DIAC raised the pass mark from 115 to 120 for overseas students applying for PR on or after 1 April 2005. This pass mark is extremely difficult to reach without MODL points.⁴ Indeed, by 2005–06, relatively few onshore applicants without an occupation on the MODL gained a PR visa.

So, why has the response been so strong among cooks and hairdressers? There are a number of traditional trades in metal, electrical and construction industries listed on the MODL. The answer is that, for overseas students interested in PR, cooking and hairdressing offer the cheapest and most accessible training opportunity leading to the trade qualifications needed for immigration purposes.

THE MIGRATION INDUSTRY

The creation of immigration opportunities merely sets the scene. Understanding the surge in enrolments (detailed in Table 2) requires an awareness of the players in the migration process. There is a huge unmet demand for access to Australia from would-

be migrants in East Asia and the Indian sub-continent. People want access to the income that Australian work opportunities offer. This may be through temporary work visas, such as the Business Long Stay visa, subclass 457. But access to permanent residence is even better. This eventually bestows rights to access Australia's generous social welfare system and public schools and universities for adult migrants and their children on the same terms as established residents. There is a network of immigration brokers and agents in Australia and overseas who advise and recruit prospective clients. They are attuned to the minutiae of migration regulation changes.

The vocational-training sector has become an integral part of the migration business. Many non-government training providers have links to migration agents here and overseas (or are themselves migration agents). Their training activities are guided by their knowledge of the immigration setting and are directed to the migration market. The explosion of commencements in 'services, hospitality and transport' courses in 2005 and 2006, particularly from India and to a lesser extent from China (see Table 3), is consistent with this set of hypotheses.

TRADE TRAINING OPPORTUNITIES FOR OVERSEAS STUDENTS

In the case of the traditional trades, the main training route available is via the apprenticeship system. Almost all domestic entrants into the traditional trades take out an indenture or 'contract of training' as an apprentice with an employer, where they learn on-the-job at a specified minimum award wage with a day or so a week set aside for classroom training, usually in a Technical and Further Education (TAFE) college. This route is generally not available to overseas students (including those wanting to obtain cooking and hairdress-

Table 3: Overseas student commencements in ‘services, hospitality and transport’* courses in Australian government and non-government training sectors, year to November 2002 to 2006

Nationality	Sector	Numbers					Per cent of total				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
India	Government	132	77	197	383	447	8	4	9	14	12
	Non-government	102	90	217	1,403	4,016	4	2	5	18	28
	Total	234	167	414	1,786	4,463	5	3	6	17	25
China	Government	78	89	126	218	435	5	5	6	8	12
	Non-government	160	368	746	1,357	2,654	6	10	17	18	19
	Total	238	457	872	1,575	3,089	5	8	13	15	17
Korea**	Government	250	246	225	273	387	15	13	10	10	11
	Non-government	271	254	432	856	1223	10	7	10	11	9
	Total	521	500	657	1129	1610	12	9	10	11	9
Thailand	Government	132	184	183	250	222	8	10	8	9	6
	Non-government	308	384	416	703	982	11	11	9	9	7
	Total	440	568	599	953	1204	10	10	9	9	7
Bangladesh	Government	17	28	56	91	79	1	1	3	3	2
	Non-government	29	70	86	287	849	1	2	2	4	6
	Total	46	98	142	378	928	1	2	2	4	5
Brazil	Government	22	28	39	56	54	1	1	2	2	1
	Non-government	186	153	174	228	370	7	4	4	3	3
	Total	208	181	213	284	424	5	3	3	3	2
Hong Kong	Government	175	227	244	249	234	10	12	11	9	6
	Non-government	125	237	283	350	347	4	7	6	5	2
	Total	300	464	527	599	581	7	8	8	6	3
Indonesia	Government	114	103	113	114	114	7	5	5	4	3
	Non-government	134	193	199	259	439	5	5	4	3	3
	Total	248	296	312	373	553	5	5	5	4	3
Japan	Government	256	323	337	287	329	15	17	15	10	9
	Non-government	335	476	570	570	518	12	13	13	7	4
	Total	591	799	907	857	847	13	14	14	8	5
Malaysia	Government	69	76	86	100	155	4	4	4	4	4
	Non-government	63	92	100	172	260	2	3	2	2	2
	Total	132	168	186	272	415	3	3	3	3	2
Other	Government	429	521	603	786	1,177	26	27	27	28	32
	Non-government	1,129	1,309	1,256	1,531	2,578	40	36	28	20	18
	Total	1,558	1,830	1,859	2,317	3,755	34	33	28	22	21
All	Government	1,674	1,902	2,209	2,807	3,633	100	100	100	100	100
	Non-government	2,842	3,626	4,479	7,716	14,236	100	100	100	100	100
	Total	4,516	5,528	6,688	10,523	17,869	100	100	100	100	100

Source: DEST, AEI, unpublished data

Notes: * See note to Table 2.

** Republic of South Korea

ing credentials), since they cannot take out an indenture while on a student visa. In 2005, the Coalition Government introduced a Trades Skills Training visa for foreign nationals to undertake traditional apprenticeships in regional Australia, but this visa has been contentious and is scarcely used.⁵

However, there is an alternative institutional pathway to a trade or certificate 3 level qualification in cooking and hairdressing.⁶ This does not require an indenture or any employment-based contract. It is accessible to overseas students and, most importantly, meets the qualifications standards required by DIAC for immigration purposes (though not the duration of training requirements—see below).

The availability of this pathway is a consequence of reforms in Australian vocational training arrangements since the early 1990s. The Federal Labor Government at the time wanted a more flexible and less time consuming trade-training regime. The genesis for this objective lay in the implementation of national competition policy. Under the rubric of national competition policy, the government sought to make vocational training more flexible through the creation of a vocational-training market.⁷ Policy makers expected that private vocational training providers would present a welcome challenge to the dominance of TAFE colleges in vocational training.⁸ TAFE control of vocational training was seen as a source of rigidity that impeded market adaptability.⁹ After the Coalition gained office in 1996, a further motive for these reforms emerged; this was to overcome trade union resistance to changes in the traditional apprenticeship system. In this context, governments wanted an alternative to the apprenticeship system, so they encouraged a system of trade credentials based on classroom training. Currently, in the case of the certificate 3 in Commercial

providers (as well as traditional providers, including TAFEs) must first gain the status of Registered Training Organisations (RTOs) in their field/s of training. RTOs are required to register with their respective state or territory authorities, after which they are automatically entitled to operate across all states and territories.¹¹ To gain this registration, RTOs must prove that they have the teaching resources needed to provide the skills included in the training package for the trade skill in question.

FROM LOCAL TRAINING TO PR STATUS

As with all PR applications under Australia's skilled migration program, persons trained in Australia in trade fields must first be accredited as *bona fide* tradespersons before their application will be processed by DIAC. For the trades, the assessing authority is Trades Recognition Australia (TRA), a unit within the Commonwealth Department of Employment and Workplace Relations (DEWR). TRA does a paper-based assessment of the qualification, the main criterion of which is that the applicant has completed a certificate 3 level course in an RTO relevant to the occupation the person has nominated. TRA also requires applicants to have completed 900 hours of 'relevant and directly related work experience'.¹²

A further requirement, this time specified by DIAC (since 2003), is that applicants must have completed at least two years of Australian training. In the case of cooking and hairdressing, where certificate 3 qualifications can be obtained inside a year, applicants often complete an additional year in the field, after which they obtain a certificate 4 (diploma level trade qualification). Alternatively, they can top up the certificate 3 course with some other training program which need not have any relationship to cooking or hairdressing.

THE BOOM IN INSTITUTIONAL TRAINING OPPORTUNITIES

These reforms have created a strong incentive for both public and private training organisations to establish themselves as RTOs in vocational courses that offer the possibility of a PR visa outcome to overseas students. The organisations can charge a substantial fee of around \$10,000 per year, which is far more than is potentially available from domestic students. Examples of the fee structure are shown in Table 4. In each case, fees are listed for two years study because the RTOs listed are providing courses that meet DIAC's two-year training requirement. For their part, prospective overseas students looking for a PR visa outcome know that the financial, intellectual and English-language skill demands will be less than would be required were they to take a university level course. A two-year vocational program in cookery might

cost under \$20,000 (in 2007 prices), compared with \$25,000 minimum in fees required for a two-year accounting course at a shopfront university like Central Queensland University.

One indication of the speed with which organisations have responded to the new market is shown in Table 5, which lists the number and year of initial registration of RTOs offering certificate level courses in cookery and hairdressing in Victoria. Forty-three per cent of the RTOs offering courses in commercial cookery in Victoria were first registered between 2001 and 2006, as were 31 per cent of the RTOs offering certificate level courses in hairdressing. In 2006 there were 11 new RTOs registered to provide certificate 3 level training in cooking.

A number of recently registered RTOs provide training in both cookery and hairdressing. Academia International, a Melbourne-based RTO first registered in

Table 4: Selected commercial cookery vocational training providers, courses and costs for international students

Registered Training Organisation	Course	Cost A\$	Duration	RTO, year of first registration
Mackintosh International College Australia	Diploma in Hospitality Management and Commercial Cookery	18,500	2 years	2006
Academia International	Diploma of Hospitality Management (Major in Commercial Cookery)	19,320	2 years	2005
Holmesglen TAFE	Diploma of Hospitality (Management)—Asian Cookery	19,600	2 years	1996
Australian Online Institute (AOI)	Advanced Diploma of Hospitality/ Certificate III in Hospitality (Commercial Cookery)	17,980	2 years	2005
Education Access Pty Ltd	Advanced Diploma in Hospitality Management (Commercial Cookery Stream)	17,950	2 years	2002

Source: Australian Department of Education, Science and Training (CRICOS); Australian Council of Private Education and Training (ACPET) <http://207.218.208.13/~acpet/index.php?option=com_frontpage&Itemid=1>

2005, provides an example. This RTO openly advertises its specialisation in ‘skill shortage industries’ including commercial cookery and hairdressing. Academia International indicates that it has 220 students, of whom 200 or 91 per cent are international, mainly from China, Indonesia, Hong Kong, Korea and Sri Lanka.¹³

It is likely that most of the students enrolled in these courses will seek PR. Why would people from the main source countries of India, Bangladesh, China, Korea and Thailand pay \$10,000 per year, for two years, to become a cook or hairdresser, if their intention were to return to their respective countries of origin? Some may see a financial or business advantage in their home countries from an Australian qualification, but they will be a small minority, especially in commercial cookery.

Based on our discussions with staff from major Victorian TAFE providers and RTOs in two states, the marketing of commercial cookery courses to overseas students on a full-fee basis is overwhelmingly based on these students’ desire to gain PR in Australia.

TRAINING STANDARDS IN RTOS

The Australian and state governments assert that students trained by RTOs will meet high standards of quality. These are supposed to be achieved through Com-

monwealth administration of the Educational Services for Overseas Students (ESOS) Act (which regulates the performance of providers catering for overseas students) and state government control over the registration of RTOs and their monitoring of each provider’s quality of trade training. State regulation is based on minimum skill sets and competencies for each trade occupation which are laid down in ‘Training Packages’ developed by industry, through national Industry Skills Councils which are endorsed by the National Training Quality Council.¹⁴

RTOs are accredited by their respective state or territory authorities (in Victoria it is the Victorian Qualifications Authority and in NSW it is the NSW Vocational Education and Training Accreditation Board), to meet standards set out in the Australian Quality Training Framework (AQTF). These standards are intended to provide the basis for a nationally consistent, high-quality vocational education and training system.¹⁵ The AQTF sets out a wide range of compliance requirements for RTOs including in the areas of finance, administrative practices (record keeping), staffing (including staff competency), teaching resources, commonwealth and state legislative requirements, such as anti-discrimination and privacy, and access and equity.

Table 5: Number and year of initial registration of Registered Training Organisations offering certificate level courses in Commercial Cookery, Victoria

	Prior to 2001	2001	2002	2003	2004	2005	2006	2001 to 2006	Total
Commercial cookery	55	4	7	7	7	6	11	42 (43%)	97
Hairdressing	29	1	1	2	3	5	1	13 (31%)	42

Source: National Training Information Service

On the issue of competency, the guidelines are imprecise. When students are assessed, RTOs must ensure that ‘the requirements of the Training Package or accredited course are met’.¹⁶ These strictures are appropriate. The problem lies in their enforcement. RTO accreditation procedures focus mainly on the initial registration of providers, with only very limited provision for monitoring their performance. In Victoria, for example, initial registration is delegated to the Office of Training and Tertiary Education (OTTE) by the Victorian Qualifications Authority. Once registered, RTOs are essentially self-regulating, with their registration coming up for review every five years. The respective state/territory registering authorities are required to audit RTOs prior to initial registration, within 12 months of the initial registration, in response to complaints against the RTO, and prior to renewal of registration.¹⁷ RTOs are required to document their activities for scrutiny by the state qualification authorities. But the audit process is predominantly paper-based.

There is no requirement for any independent or external competency testing of the students. This is a serious matter because, as documented below, TRA, the accrediting agency for those seeking PR as tradespersons, has to rely on the integrity of RTO internal assessment. This deficiency occurs despite the voluminous literature highlighting the importance of a ‘competency-based’ approach to vocational training and assessment, as opposed to the traditional notion of ‘serving time’ as an apprentice. For example, the ‘2005 to 2008 Commonwealth–State Agreement for Skilling Australia’s workforce’ states, in the case of the Commonwealth–Victorian Agreement, that Victoria will:

... negotiate with industry parties, registered training organisations (RTOs), employers and employees to implement

competency-based, rather than time-served, apprenticeships ... this will be linked to quality assurance arrangements that ensure that competency is demonstrated to the satisfaction of both the RTO and the employer ...¹⁸

Despite this focus on competency-based training, the Commonwealth–State agreement indicates that the ‘performance measures’ will rely upon surveys of employer views on vocational education and training and the level of student satisfaction.¹⁹ In the case of MODL-driven alternative pathway vocational courses, such as commercial cookery, where students are concerned about gaining permanent entry to Australia, student satisfaction is unlikely to be a good indicator of the level of vocational skills attained.

In October 2006 the Commonwealth Government released a revised *National Code of Practice for Registration Authorities and Providers of Education, Science and Training to Overseas Students*. It reaffirms that RTOs must have the appropriate staff, resources and premises for their courses, and procedures in place to deal with student complaints. However, the code says nothing about how the competence of students is to be assessed. Its focus is on consumer protection (for the student) with no reference to how Australia’s immigration program and employers are to be assured that students actually possess trade level skills on completion of their courses.²⁰

Discussions with people in the industry indicate that official intervention in the performance of RTOs occurs mainly in the context of complaints lodged with government authorities, mostly by dissatisfied students. In the absence of such complaints, poor educational standards and breaches will frequently go undetected. To date, official action largely relates to breaches of registration conditions by

private RTOs, which have to do with record keeping and student attendance, particularly the requirement that the RTOs and all other educational institutions (other than universities) have to report overseas student attendance to DIAC.²¹ Evidence is emerging of serious breaches of educational standards within the industry. Informants to this study report that one large Sydney private RTO had awarded certificates of course completion to a group of PR-seeking overseas students in cookery who had failed to attend any classroom training at all. It is claimed that DIAC uncovered this situation while processing PR visa applications from college graduates; and further, that DIAC had temporarily suspended processing of other visa applications from graduates of this RTO while it instigated a review.

Because of the absence of independent assessments, it is difficult to generalise about the trade standards of students completing RTO courses. Interviews with people involved in teaching these courses indicate that long-established RTOs do take their standards seriously, but that this is less likely to be the case for recently-established RTOs. In the case of cooking, the RTOs that are vying for the rapidly expanding cookery market often hire kitchens from hotels or schools rather than invest in expensive customised facilities for instructional purposes. Such facilities are often not adequate for teaching all of the necessary aspects of commercial cookery.

Informants claimed that the quality of instruction is often low and that the absence of structured on-the-job training means that the graduates do not reach the level expected of Australian apprentices. In consequence, employers of commercial cooks and hairdressers tend to make a clear distinction between the two types of graduate in terms of what they expect them to be able to do and what they are willing to pay them. It was also said that the formal

instruction was a sideshow to the main event, which was the achievement of the paper credential needed for immigration purposes and that most of the overseas trainees had little interest in working as commercial cooks or hairdressers after completion.

The national industry association, Restaurant and Caterers Australia, said as much in a submission to a Parliamentary inquiry in early 2007:

In many cases it is understood that individuals gain entry to Australia through the skilled migration program, in an occupation in demand, and do not work in that occupational area once in Australia. This is understood to happen with cooks as one example.²²

ENGLISH LANGUAGE STANDARDS

Overseas students wishing to complete trade level courses in Australia with VTE providers must first gain a student visa. For this purpose, they must achieve a level of 5.5 on the IELTS General Training test. This is a rudimentary level of English, enough for the student to get about in an English speaking setting. Many of those enrolled in vocational courses cannot achieve the 5.5 level. In order to gain a student visa, DIAC requires that they first undertake an English language course before they begin their vocational studies. Most of RTOs active in the cooking and hairdressing market offer English-language training as part of their package for prospective overseas students. However, there is no requirement that the students demonstrate that they have achieved IELTS 5.5 before their vocational study begins. From the perspective of the RTO, the incentive is to pass students in English so that they can move on to the VTE training they have committed to complete (and pay for). An analogous situation applies to universities that recruit students on package deals

which require the completion of preliminary English programs designed to bring them to the equivalent of level 6 on the IELTS test, which is the minimum level DIAC requires for the issuance of a higher education student visa.²³ However, the students in question do not have to prove that they have achieved 6 on the IELTS test before the higher education visa is issued.

OCCUPATIONAL ASSESSMENT FOR IMMIGRATION PURPOSES

As noted, TRA is the assessing authority which scrutinises the trade credentials of applicants for permanent residency. TRA evaluates the credentials of intending migrants by comparing their competencies and work experience against an Australian trade benchmark. For a particular trade occupation, it uses as its benchmark the skill set, or suite of competencies, that would be expected on completion of a traditional trade apprenticeship in Australia.

TRA has indicated that:

... the benchmark of trade training and work experience [is] equivalent to that of an Australian apprenticeship trained tradesperson in determining whether an applicant's skills in their nominated trade [are] suitable for that trade.²⁴

However, in making its judgement as to whether people trained via institutional pathways in RTOs have achieved this standard, TRA has no choice in the matter. It is required by legislation to treat students who complete alternative pathway cooking or hairdressing qualifications as having achieved a standard equivalent to that of an apprentice. From the TRA's perspective, it is the state-based qualification authorities who are responsible for ensuring the competence of students emerging from RTOs. According to TRA, it has no authority to intervene by requiring competency tests, or to audit the claims of RTOs concerning the performance and

competencies of their graduates. All TRA can do is to assess the paperwork of the credentials it is required to assess. If the RTO is legally registered, then that is the end of the matter.

As we have seen, TRA also requires 900 hours '... relevant and directly related work experience ...'. This ruling was introduced in 2005. It was intended to ensure that overseas graduates from Australian vocational training institutions have Australian work experience in the industry under which they have applied. This work experience has to involve cooking or hairdressing-related activities, but does not have to be part of a structured training program, as is the case with apprentices. The work is normally done in the 20 hours per week maximum of paid work allowed under the rules of their student visa. According to industry informants, some overseas students work for as little as \$4 an hour, and some even pay employers for the chance to work, so as to satisfy the 900 hours work experience requirement.

THE TRAINING AND EMPLOYMENT SITUATION FOR AUSTRALIANS

As indicated by DEWR's decision to include cooks and hairdressers on the MODL, there are shortages of both sets of tradespersons in Australia. In the case of cooks, one reason is that domestic training has not kept pace with employer demand. As Table 6 shows, there has been little growth in the numbers of starting apprentices or trainees in cooking over the past five years while hairdressing has fared much better (39 per cent versus four per cent growth). Table 6 also indicates that a large proportion of those commencing cooking (and to a lesser extent hairdressing) do not actually complete their contract of work-based training. In addition very few domestic students have taken up the

institutional pathway option. This is despite the fact that the fees they are required to pay are normally a fraction of those paid by overseas students—in part because of government subsidies.

Why aren't local students taking up opportunities in cooking and hairdressing? A major factor, especially in the cooking field, is that wages and conditions are unattractive. According to DEWR's own website, cooks receive below average weekly earnings and recorded a declining overall level of employment in this trade in the five years to February 2006.²⁵ This situation is not helped by the influx of large numbers of overseas students into the cooking labour market while they complete the required 900 hours work experience. As to the future, if the thousands of overseas students currently enrolled in cooking and hairdressing actually entered the respective labour markets after gaining

PR, their numbers would dwarf those of domestic apprentice completions. But this is unlikely to be the case under current PR-visa rules. These former overseas students, like local labour-market entrants, will probably look for work with more to offer than cooking and hairdressing.

CONCLUSION

It is hard to imagine that the Commonwealth Government intended the outcomes described above. Rather, mostly well-intentioned measures on the part of DIAC to attract more migrant tradespersons, on the part of DEST to open up training opportunities for young Australians, and of TRA in making the assessment process for migration purposes more streamlined, have been hijacked by the migration industry.

The outcome, which will be soon evident, will be an explosion in the number of persons with qualifications in cooking

Table 6: Commencements, total in-training and completions for hairdressers and cooks, traditional apprenticeships^a and other contracts of training,^b Australia, 2000 to 2005^c

	Hairdressers			Cooks		
	Commencements	Total in-training	Completions	Commencements	Total in-training	Completions
2000	4,100	10,050	1,860	5,540	11,300	1,790
2001	4,020	10,140	2,010	5,280	11,220	1,980
2002	4,130	10,520	2,120	5,250	11,240	2,110
2003	4,640	11,010	2,380	5,570	11,380	2,160
2004	5,410	12,040	2,420	5,920	11,790	2,200
2005	5,670	12,460	2,750	5,770	12,140	2,000
Increase 2000 to 2005	1,570	2,410	890	230	840	210
Per cent change	39	24	44	4	7	11

Source: NCVET National Apprentice and Trainee collection, September 2006 estimates, unpublished

Notes: ^a The number of traditional apprenticeships is approximated by trades contracts at AQF Level 3 or above with more than two years expected duration for full-time contracts and more than eight years expected duration for part-time or school-based contracts.

^b Those in employment-based contract of training arrangement (other than traditional apprenticeships) comprised 25-30 per cent of total commencements in 2005.

^c 12 months to 31 December each year.

and hairdressing granted permanent residence visas under the onshore student visa categories. Few of these persons are likely to contribute to filling the undoubted shortages of skilled persons in the two occupations.

Why haven't the alarm bells been ringing within DIAC which has overall responsibility for the migration program, the state regulatory authorities responsible for RTOs, or within DEWR which advises on the MODL listing and via TRA accredits trade credentials? To some extent they have. However, each bureaucratic authority lives in its own silo, somewhat isolated from the others. As a result, the red flags that the situation described above ought to have prompted are yet to be unfurled.

In the case of the state government authorities, the desire of state leaders to promote further growth in the international student industry has inhibited any decisive action. DEST, too, has been an enthusiastic backer of the international student industry, including in recent times, the VTE sector. As a consequence, the state and commonwealth authorities appear reluctant to investigate training standards in the VTE sector except in extreme circumstances, as with the recent collapse of the International Business and Hospitality Institute. This is an RTO established to provide commercial cookery and other courses by two Chinese businessmen in 2005 (one only 22 years old); it has been accused of fraud by former staff and students and of failing to provide adequate standards of teaching.²⁶

There is a crying need for reform. Both the commonwealth and state authorities need to critically review the obvious weaknesses in the registration, monitoring and assessment processes applying to both public and private VTE educational providers. In addition there should be an urgent review of whether cooks and hairdressers should stay on the MODL. DEWR's stated justification for placing

occupations on the MODL is that they are occupations in demand nationally in Australia, and that increasing supply through migration will help meet this demand. MODL listing has certainly had a major impact in promoting migration. But our inquiry indicates that, in the case of cooks and hairdressers, it has contributed little to reducing skill shortages.

In its advice on MODL listings DEWR does not appear to consider whether overseas students completing cooking or hairdressing courses, actually take up trade jobs in their fields. DIAC has commissioned research into the employment destinations of university graduates granted PR visas under the onshore program. It is time for such a study on the outcomes for those with trade skills and for the results to influence decisions about MODL listings. Without this follow-up research, these two fields could stay on the MODL indefinitely despite an avalanche of onshore migrants, many of whom lack either the skills or the intention to enter these occupations.

The main responsibility for reform lies with DEWR. However DIAC can and should take independent action, since the situation described above is making a mockery of its claim that the rapid growth in skilled migration it has instituted in recent years is serving any useful purpose (other than boosting Australia's population). Australia's priority currently is experienced migrants who can immediately fill skill vacancies. The onshore student program is not well suited to this purpose. This is especially the case with entry level cooks and hairdressers, who tend to have a high dropout rate. It would be more efficient to focus on experienced and committed tradespersons in these fields, recruited via the offshore skilled program.

The Department has before it an *Evaluation of the General Skilled Migration Categories*, completed in early 2006, which

recommends that applicants for the 880, 881 and 882 visa subclasses not be eligible for MODL points unless they have at least 12 months job experience at the professional or trade level in their occupation.²⁷ The Evaluation also proposed that former overseas students affected by this provision could apply for a transitional visa of 18 months to two years duration, during which time they would have the opportunity to gain the required 12 months job experience.²⁸

The Coalition Government announced in May 2006²⁹ that it will place greater

emphasis on skilled work experience as a factor in the points test, and will introduce new ‘temporary visa mechanisms’ to enable former overseas students to gain that work experience in Australia. While details have not yet been announced, in principle that could go some way to correcting the anomalies described above. But the government will need to demonstrate that this new temporary work visa has the strongest safeguards to ensure Australian residents are not disadvantaged in terms of entry-level jobs, wages or training opportunities.

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