A COMMENT ON BOB KINNAIRD'S ANALYSIS OF THE 457 VISA ISSUE FROM THE PERSECTIVE OF A LOCAL SAP SPECIALIST

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The previous issue of People and Place carried an article by Bob Kinnaird on the sharp increase of skilled migrants sponsored into Australia on long-stay temporary-entry visas.[1] The data showed particularly steep growth in the entry of temporary migrants with information technology (IT) skills. Bruce Telfer is an experienced IT programmer and consultant. He describes the way in which this trend has been coupled with a growing tendency to send IT work overseas, and outlines the effect of both of these tendencies on his own career.

I grew up in country Victoria in the 1950s and early 1960s and found it necessary, along with many of my colleagues, to move to Melbourne in the late 1960s for tertiary study. At that time the Royal Melbourne Institute of Technology offered one of the few opportunities for young people to make a start in the fledgling computer industry. Part-time study and full-time work led me into a career which exposed me to widely varied technologies, but from around 1992 I specialised as a programmer in one of the world's leading business applications software producers: SAP.[2]

SAP is used by over 320 of Australia's top companies and increasingly by smaller organisations. Many thousands of professional consultants are employed as specialist analysts and programmers in these businesses, often as short-term contractors. These consultants help implement SAP and provide technical support to firms as they use the software and adapt it to their needs. Since around 2002 contractors, such as myself, have found diminishing employment opportunities. This has happened at the same time as a rapid increase in the availability of foreign programmers, largely from India has occurred.

SAP is a standardised software product which adapts well to off-shore resourcing. Its popularity is due partly to the way in which it imposes standard functionality and thus gives companies comfort in conformity. Many companies have found that changes to their internal business procedures allow them to match their business processes to the standard SAP model quite closely. Other companies take advantage of various configuration and customising techniques available to SAP consultants and use these to modify various aspects of the package. For example, they employ consultants to use these techniques in order to satisfy specific government, industry and competitor requirements or to allow the exchange of data with other computer systems.

Many companies that want to customise SAP have now embraced off-shore resourcing of the programming skills they need. The technical structures and terminology within the SAP software are clearly defined. This means that anyone who has experience with relevant SAP programming will immediately recognise the context and data elements involved in customising SAP anywhere in the world.

It is therefore straightforward to specify changes to SAP programs rigorously. With rigorous specification the changes a firm requires can be effected by any skilled SAP programmer, some of whom may be on-site or by others who may be located remotely including off-shore.

Since around 2002 more and more SAP programming work has been sent off-shore. In other cases Australian recruitment firms or employers have sponsored IT specialists under the business long stay 457 visa subclass to work in Australia onsite on a temporary basis.

It is quite possible for parcels of

programming work to be sent off-shore and returned more or less complete, ready to be integrated onsite, and this trend is occurring alongside the entry of immigrant programmers. To satisfy the demand for off-shore SAP programming, Universities and 'SAP Labs' in Bangalore and other Southern Indian cities are actively training many thousands of new SAP practitioners each year. It is interesting that, in Australia, IT workers from India now make up by far the largest national group of workers under temporary skilled migration visas.[3]

As I have observed the rising number of overseas workers particularly in the information and communication technology [ICT] field, I have also noted a corresponding increase in the difficulty in obtaining work. Since around 2002 the jobsearch time and gaps between projects have been more than doubling each year in relation to work time. It is becoming increasingly common to spend six months and more of unpaid time searching for work.

There are reports, from some sources, that a skills shortage exists in the IT industry and the Australian Government has included computing professionals with a speciality in SAP on its Migrant Occupations in Demand List (MODL) since December 2005. But there is clearly no shortage of SAP specialists in Melbourne, a city eagerly targeted by Indian recruiters. Discussions with recruiting agents in Melbourne indicate that there is a large number of local applicants for the few SAP programming roles available locally. For example, a recent position drew over 30 applicants.

I have remained committed to the SAP world in recognition of my investment in this technology. Reskilling for a different IT role would require around three years training, plus a couple more years to build a credible reference base. At my career stage this investment does not seem justified. But I have experience across a wide array of SAP modules, complemented with a

valuable depth of knowledge of ICT technologies in general. This should equip me to be a strong contender for SAP consultancies alongside any foreign applicant.

As indicated above, there are many hundreds of companies in Australia using SAP. I have specialised in SAP for more than 10 years of quite a long ICT career and am dependent on obtaining work from these companies. Thus I am constantly surveying work opportunities that may arise.

As part of my job search strategy I have maintained personal contact with 29 of the companies based in Melbourne and have noticed a significant shift in the employment opportunities.

Fourteen of these companies are foreign-owned: Adidas, Bosch, Cadbury, Carter Holt Harvey, Ericsson, Exxon Mobil, Fujitsu, Gillette, Glaxo, Mitsubishi, Pilkington, Shell, Siemens and Toyota.

The other 15 are essentially Australian organisations: Australia Post, Australian Woolmark, BHP, Coles, Cryovac, Mayne Nickless, Monash University, Murray Goulburn, NAB, Orica, Qenos, RMIT, Smorgon, Telstra and Visy.

All of the 14 foreign-owned companies with the exception of just two (Fujitsu and Pilkington) have told me that, since around 2002 they have been sourcing SAP manpower offshore either directly or through agencies.

On the other hand, during the same period only three of the 15 Australian companies (Mayne Nickless, NAB and Telstra) have told me that they prefer so-called 'global' resourcing, by which they recruit through the large foreign-owned consultancy firms known to obtain manpower offshore.

This might indicate that Australian firms have a latent respect for the value of retaining local skills. This seems a logical behaviour, supporting training and development of local human resources

while retaining jobs in the local economy. My personal observations show that the value of this is not so evident in multinational companies.

In an environment of unavoidable globalisation a balance needs to be found which keeps us in touch with real world technologies and cost effectiveness yet allows us, as a nation, to retain sustainable self-sufficiency. Perhaps this can only be fully achieved with government intervention.

References

[1] B. Kinniard, 'Current issues in the skilled entry subclass 457 visa', *People and Place*, vol. 14, no. 2, 2006, pp. 49–65

[2] SAP is a set of software applications that allows large companies to integrate and manage finance, sales, assets, inventory, purchasing, manufacturing, personnel and so on. It has vast scope and is usually customised by SAP programmers for the particular needs of particular companies.

[3] See Kinniard, op. cit., pp. 61–62.