



New Trade Skills Training Visa Will Help Address Skills Shortages

On 1 November 2005, the Australian Government's new Trade Skills Training Visa, which allows overseas nationals to undertake high quality trade skills training in regional Australia, came into effect. The visa is an important employer-driven component of the response necessary to address the issue of skills shortages and ACCI has been deeply involved in its development.

BACKGROUND

Australian industry is currently facing major skill and labour shortages, particularly in regional Australia.

One of the central themes industry has been pressing with the Australian Government is a commitment to provide increased support for trades development and training opportunities in these areas. While the bulk of skill shortages must be met by training Australians, this will simply not be sufficient given Australia's demographic profile.

To assist regional employers and following industry consultation, the Minister for Immigration and Multicultural and Indigenous Affairs, Senator the Hon Amanda Vanstone, announced as part of the 2005/06 Budget the introduction of a new, temporary Trade Skills Training Visa (TSTV).

The TSTV will enable regional employers recruit people from overseas to fill persistent new apprenticeship vacancies. The TSTV came into effect on 1 November 2005.

The TSTV will allow overseas nationals to undertake high quality trade skills training in Australia, by doing a new apprenticeship in regional Australia on a full fee paying basis. After finishing their training, TSTV holders can apply for existing regional migration visas.

The TSTV will accommodate overseas nationals who wish to do a new apprenticeship in identified skill and labour shortage areas. At the completion of their training, the new apprentice can return to their home country but will be encouraged to remain in the region so that regional employers can retain their skills.

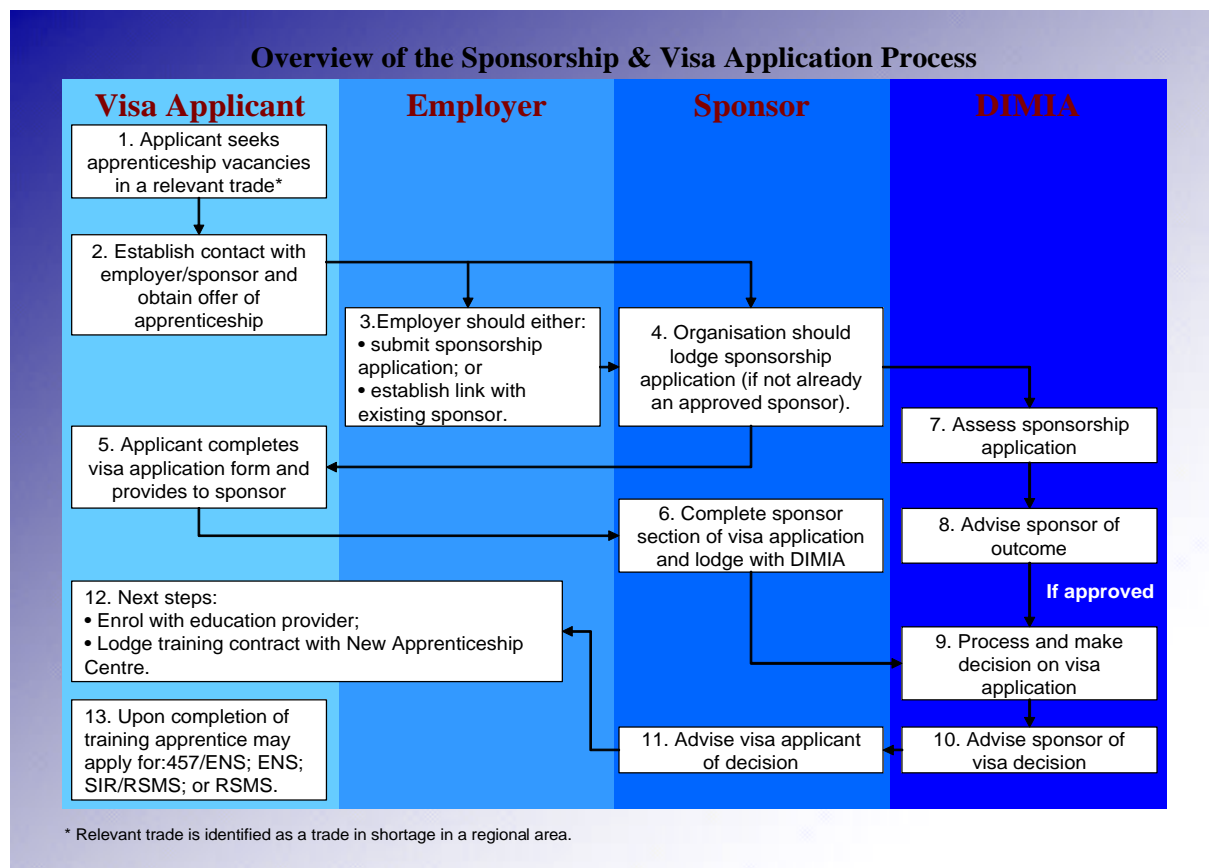
The TSTV is expected to impact positively on business and industry, and the community generally, in regional Australia. It will help businesses address current new apprenticeship shortages, as well as skill and labour shortages in the longer term if the new apprentices get permanent residence. There will also be a positive impact from increased opportunities for the Vocational Education and Training (VET) sector to develop targeted training programs. Small businesses would also have improved access to skilled tradespeople.

Regional communities will enjoy increased access to trade skill services and the downstream benefits of an increased population to support local businesses.

OVERVIEW

New apprentices will be sponsored by an Australian organisation – either an employer, or a body representing an industry or a region. The sponsor takes responsibility for supporting the new apprentice and gives a number of undertakings in relation to their own conduct and that of the persons they sponsor. Figure 1 give a basic outline of the process.

Figure 1
An Overview of the Sponsorship and Visa Application Process



The TSTV is employer-driven, and employers will make their own arrangements for recruiting new apprentices overseas.

ACCI is working with Federal and State/Territory government agencies to bring together various elements (e.g. training providers, Group Training Organisations and employers through the various employer organisations) to ensure the TSTV is effectively implemented and a quality outcome is delivered for employers and their overseas new apprentices.

Under the New Apprenticeships scheme, legal contractual protections and quality assurance for the overseas new apprentice will be provided. They will be paid a training wage under an award or other recognised industrial arrangement while completing training in the workplace and classroom learning and will gain a nationally recognised trade qualification. They will have to meet the same requirements, and have the same pay and conditions, as their Australian counterparts.

The new apprenticeship must be in a traditional trade and the occupation must be one that is formally recognised as having a skills shortage, either through inclusion on the Migration Occupations in Demand List (MODL), State/Territory shortage lists, or as certified by an approved independent body to be in shortage in a particular region.

ACCI is advocating to government that these 'skill shortages lists' be reviewed for consolidation into one easily understood document, which would better serve all with interests in attracting overseas new apprentices to Australia.

The new apprenticeship must also be undertaken in a regional area, that is, anywhere in Australia other than the major metropolitan centres of Sydney, Melbourne, Brisbane, Perth, Newcastle, Wollongong and the Gold Coast. ACCI is strongly of the view that the focus of the TSTV should be on identified regional and remote areas.

The new apprenticeship must also be one where no suitable Australian can be found to fill the vacancy.

THE NEW APPRENTICESHIPS

Training Framework

The new apprenticeships that overseas new apprentices will undertake must be eligible for registration under the Australian Government's New Apprenticeships (NA) scheme.

The NA scheme has the following advantages:

- successful completion of a new apprenticeship under the NA scheme leads to the award of a qualification under the Australian Qualification Framework (AQF) recognised across

Australia. It also means that overseas new apprentices will have an appropriate qualification to meet DIMIA's requirements for skilled migration;

- the training contract requires establishing a new apprenticeship under the NA scheme and provides the protection of a legal framework of responsibilities for both employer and the new apprentice; and
- the quality assurance arrangements in place for new apprenticeships ensure that new apprentices receive high quality classroom training and practical experience.

Employers who employ overseas new apprentices will be eligible for Australian Government incentive payments under the New Apprenticeships Incentives Programme (NAIP). The cost to the Australian Government of these incentives will be recovered from the overseas new apprentices through visa application charges. State incentives, where they exist, may not apply.

Certification of New Apprenticeship Vacancy

To ensure that an overseas new apprentice will not displace an Australian, the Australian Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) will require certification that the position is one that could not be filled by local recruitment.

Certification will be by local Regional Certifying Bodies (RCBs), the same organisations that provides similar advice to DIMIA under the Regional Sponsored Migration Scheme (see www.immi.gov.au/migration/employers/certifying_bodies.htm).

Further, to ensure that filling the vacancy will meet the objective of assisting regional areas address skills shortages, the certifying body will also certify that the new apprenticeship vacancy falls within the following parameters:

- the vacancy is in a trade occupation i.e. the occupation is listed in the Australian Standard Classification of Occupations (ASCO) Group 4 list, and requires the completion of an Australian Qualifications Framework qualification of at least Certificate III level;
- the occupation has a skills shortage i.e. the occupation is listed on the department's MODL, State/Territory occupation shortage lists or in the case of localised/specialised shortages, is certified as such by the relevant certifying body; and
- the vacancy is in a regional location. The location of the new apprenticeship must be outside the major metropolitan areas of Sydney, Melbourne, Brisbane, Perth, Newcastle, Wollongong and the Gold Coast – the same definition used for the Regional Sponsored Migration Scheme (RSMS). Where a Registered Training Organisation (RTO) in the relevant trade is not available in the region in which the overseas new apprentice is employed, they may undertake their classroom training with a RTO elsewhere, including metropolitan areas.

The sponsor/employer will submit the Application for Certification form, with details of the vacancy, to the relevant RCB. The RCB will return the Form certifying the vacancy to the sponsor/employer. The certification form for a particular new apprenticeship vacancy is then submitted with the associated visa application.

Certification will be valid for three months. If a visa application is not lodged within that period, the vacancy will have to be re-certified.

Recognition of Prior Learning (RPL)

ACCI is strongly of the view that overseas new apprenticeship visa applicants should be fast-tracked where the individual has the experience, aptitude and skills to fulfil the requirements of the new apprenticeship. ACCI recognises that for regional employers, the most desirable scenario is to engage overseas new apprentices who have already undertaken a year or two of trade training in Australia or overseas.

With an effective RPL process in place, the overseas new apprentice will be able to complete their new apprenticeship in a shorter time and with lower costs, while the employer will gain a more experienced employee.

ACCI believes that government needs to establish an RPL process that is determined offshore and meets Australian training provider standards.

ACCI also believes that RPL is a matter that must be discussed with the TSTV applicant during the negotiation of the Training Plan associated with the New Apprenticeship training contract.

Where RPL is granted prior to the grant of a visa and leads to a shorter new apprenticeship, this will be reflected in shorter visa duration. The early-finisher will still be able to apply for other visas while onshore.

Pre-Vocational Training

Pre-vocational training can be incorporated into the TSTV by way of a 'packaging' arrangement. The arrangement can include any necessary courses, for example, additional English language training or pre-new apprenticeship training, for up to three months. These courses must be undertaken prior to the new apprenticeship and will be covered by the sponsor's undertakings. Alternatively, if not packaged, such training could be undertaken on a different type of visa.

THE ROLE OF THE TSTV SPONSOR

To be approved as a TSTV sponsor, ACCI has recommended to DIMIA that potential sponsors:

- be an employer, or a body representative of industry or of a regional area;
- be lawfully and actively operating in Australia and be of good standing;
- have the capacity to provide or arrange the approved number of new apprenticeships;
- if they are also the employer, have a satisfactory record of, or a demonstrated commitment to, training Australian citizens and permanent residents; and
- be able to give undertakings and have the capacity to comply with them.

Sponsorship approval is valid for 2 years, although a sponsor's commitment to an individual overseas new apprentice remains in place until their visa expires. The sponsorship application fee is \$1,050 and each sponsorship approval is valid for a pre-determined number of overseas new apprentices.

Sponsorship Undertakings

Sponsors will be asked to give a number of undertakings as part of the sponsorship approval process.

The undertakings include such elements as:

- the overseas new apprentice's Training Contract is registered and approved within 3 months;
- the overseas new apprentice carries out the new apprenticeship as agreed;
- only employing a person who has permission to work;
- advising DIMIA about relevant changes in their own or the overseas new apprentice's circumstances such as work and accommodation arrangements;
- ensuring the overseas new apprentice is employed in accordance with all relevant Commonwealth and State or Territory legislation and that all aspects of the Training Contract, including on and off the job training, are implemented; and
- cooperating with relevant government monitoring regimes

ACCI will work with DIMIA to ensure assessment and monitoring programs focus on ensuring quality and improve outcomes.

Breach of Sponsorship Undertakings

The undertakings are enforceable from the time the overseas new apprentice enters Australia, or if already here, from the time of visa grant, including any period of pre-new apprenticeship training. They continue until the visa expires, including where the visa extends beyond the sponsorship approval period.

If a sponsor breaches their undertakings, their approval may be cancelled, or they may be barred from sponsoring further people as overseas new apprentices or under other sponsorship arrangements. There are no financial penalties.

PROCESSING THE TSTV

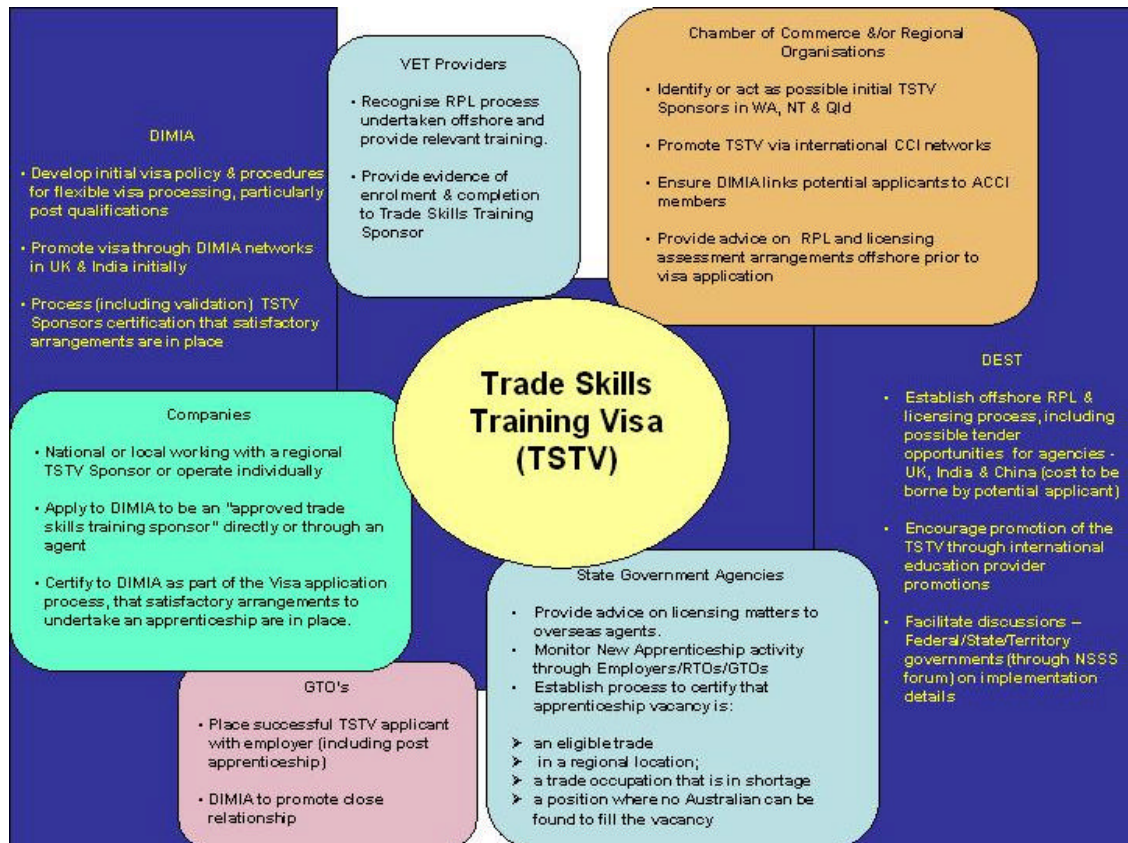
Implementation Issues

While ACCI is a strong supporter of the government's initiative to work with employers and industry to develop new visa arrangements to allow regional employers to take on new apprentices from overseas through the TSTV framework and we note that DIMIA has developed visa-processing criteria, a more co-ordinated approach needs to be made in terms of visa implementation.

To this end, ACCI is working with VET providers, State government agencies, Group Training Organisations, the Department of Education, Science and Training (DEST) and employers and industry to ensure that systems are in place to maximise the benefits of the TSTV to employers and industry in regional and rural Australia as well as to the overseas new apprentices likely to enter Australia as holders of TSTVs.

The ACCI strategy is depicted in Figure 2.

Figure 2
ACCI's TSTV Implementation Strategy



In discussing participation in any pilot launch of the TSTV, potential sponsors raised two concerns with ACCI.

Firstly, while noting the main long-term intent of the TSTV is to help employers in regional Australia to attract and retain skilled employees, there appear to be no mechanisms in place to ensure people completing new apprenticeships under the TSTV ultimately remain in regional Australia.

Secondly, there are considerable costs for employers and industry in regard to the training they provide and facilitate for new apprentices. ACCI members are understandably reluctant to be involved in a process that sees a new apprentice being fully trained through a GTO/employer arrangement in say Roma, only for the former overseas new apprentice to then have the option on completion of that training and investment to seek employment in Adelaide.

ACCI has raised these concerns with Minister Vanstone so that these issues can be addressed.

Lodging a Visa Application

ACCI recommended to DIMIA that a TSTV application be a 'one stop shop' process.

DIMIA accepted this recommendation and its Brisbane Office is to do all processing of TSTV sponsorships and applications. All TSTV applications must be lodged at that DIMIA office.

Although the sponsor and the visa applicant complete a TSTV application form, the sponsor or their agent must lodge it. TSTV sponsors are exempt from the requirement to register as a migration agent and can assist TSTV applicants with their application.

A person applying for a TSTV can be overseas, or can be in Australia, as long as they hold a valid visa at the time (e.g. a student or working holiday maker visa).

There is an initial visa application charge of \$420 at time of lodgement. The second instalment of \$3,300 will only be requested once it has been assessed that all the visa requirements have been met. In the event that a visa application is refused, fees cannot be refunded.

Applications must include evidence of an offer for a certified new apprenticeship vacancy.

Visa Requirements

The TSTV applicants will need to demonstrate to DIMIA that they:

- are aged between 18 and 35;
- have a TSTV sponsor, who has made the necessary undertakings;
- have a written offer of a full-time New Apprenticeship in a certified vacancy;
- have the necessary education and skills to undertake the New Apprenticeship;
- have vocational English (ie IELTS Level 5 or equivalent);
- are able to pay for their classroom training fees, as well as living expenses for themselves and any accompanying dependants; and
- meet general health and character requirements.

Workplace Providers

Where the overseas new apprentice's proposed employer/workplace is distinct from the sponsor, e.g. with hosting arrangements, the employer's/workplace provider's integrity,

capacity and training record are assessed as part of the visa assessment, rather than as part of the sponsorship approval.

The overseas new apprentice's workplace arrangements must meet all Commonwealth and State/Territory legislation dealing with their employment and working conditions.

Training Fees

For the classroom-based component of the new apprenticeship, TSTV applicants will pay the full fee set by the relevant RTO. DIMIA will require evidence that the fees can be paid. ACCI has estimated that training costs will be around \$12,000 for 4 years for a new apprenticeship in the traditional trades, but expects costs will vary depending on locations, size of the intake and particular trade.

TSTV applicants must also provide evidence in relation to fees for any pre-new apprenticeship training included in the visa.

Living Costs

TSTV applicants are expected to meet all expenses involved in travelling to, and doing their new apprenticeship in, Australia. However, this can include financial arrangements made with sponsors or other parties.

Living costs include costs for food, accommodation (which sponsors must ensure is of a reasonable standard), clothing (including work clothing), tools, travel to the workplace and/or the RTO and general expenses. ACCI estimates basic living costs as being \$12,000 per year for the overseas new apprentice, with a further amount for any accompanying family. Travel to Australia, health insurance and tuition costs and school fees for school-age dependants are in addition to living costs.

In assessing an overseas new apprentice's financial capacity, DIMIA will take their potential wages into account. DIMIA will also consider financial support from a range of sources, such as the sponsor, Australian State/Territory governments, or national or state/provincial governments of the overseas new apprentice's home country.

Family Members

For the TSTV, 'family' is limited to the overseas new apprentice's spouse and dependant children.

Overseas new apprentices can bring their family with them and if they are included in the same application, there are no additional visa charges. Relevant sponsorship undertakings extend to these family members.

Family members will have full work rights. Children up to age 18 must be enrolled in school, and relevant school fees paid. These can vary widely, up to around \$8,000 pa for senior secondary school.

Visa Duration

Visas will be granted for a period that will cover the duration of the new apprenticeship as stated on the letter of offer or the visa application form. It will allow for up to 3 months' pre-new apprenticeship training prior to commencing the new apprenticeship and a period of up to 6 months after finishing for the new apprentice to make arrangements with regard to licensing, or making further visa applications.

For overseas new apprentices with formal RPL evidenced prior to the granting of the visa, the duration will be correspondingly shorter.

Change of New Apprenticeship Arrangements

Overseas new apprentices and sponsors will be required to maintain the new apprenticeship and sponsorship arrangements they originally agreed to, for the duration of the TSTV.

Any significant changes will need to be notified and discussed with DIMIA so that any alternative arrangements can be considered.

FURTHER ISSUES

Recruitment of New Apprentices

As discussed earlier, ACCI will be actively involved in ensuring an effective implementation strategy is in place to maximise opportunity for members to access the benefits of the TSTV.

Part of the implementation strategy will be to help ACCI members access potential overseas new apprentices. ACCI envisages potential sponsors would build on current recruitment avenues such as:

- advertising via Group Training Organisations and peak industry associations;
- direct overseas recruitment;
- advertising through newspapers/trade journals etc;
- engaging employment agencies;
- utilising the Australian Job Search network and other internet-based job advertisement databases, such as www.mycareer.com.au or www.seek.com.au;

- accessing the Jobs, Employment and Training website (www.jet.org.au); and
- utilising employer partnerships through RTOs, or utilise the services of education agents overseas.

ACCI is also working with DIMIA in exploring mechanisms to enable potential visa applicants to access information on eligible new apprenticeship vacancies and/or register their interest. Mechanisms include:

- providing a list of approved TSTV sponsors on the DIMIA website, that potential visa applicants could contact of their own accord;
- providing a link on the DIMIA website to, for example, the JET New Apprenticeship and Traineeship website, or the Australian Job Search site run by the Department of Employment and Workplace Relations;
- making refinements to DIMIA's skill matching database; and
- referring DIMIA inquiries from potential overseas new apprentices to individual sponsors or potential employers/sponsors who agree to be contacted.

Promotion

DIMIA has commenced promoting the visa in a number of ways through:

- Regional Outreach Officers in State and Territory offices and its Industry Outreach Officer network;
- a series of 'skills expos' being held across the country and overseas;
- linking into existing seminars on skilled, regional migration and international education; and
- bodies such as the Australian Education International and Austrade. DIMIA is working with these bodies to develop joint promotional strategies.

ACCI believes that promotion of the TSTV should be distinct from the 'skilled expo' promotion as the potential overseas new apprentice is unlikely to be attending such an event.

ACCI is developing a promotional communication strategy on the TSTV which includes some of the above elements and will be expanded through further discussion with federal and state/territory governments, industry, employers and training providers.

Pathway to Regional Migration

To ensure regional employers and their communities continue to benefit from their investment in the training of an overseas new apprentice, DIMIA will encourage overseas new apprentices to settle permanently in the same region. ACCI believes more needs to be done to ensure this outcome.

Once an overseas new apprentice has successfully completed their new apprenticeship, they will be able to apply for one of the following regional migration visas without having to go offshore:

- Regional Sponsored Migration Scheme (RSMS);
- Skilled Independent Regional (SIR);
- State/Territory Nominated Independent (STNI); or
- Business (Temporary Long Stay) – subclass 457.

COMMUNITY RELATIONS

ACCI and DIMIA are aware that the presence of overseas new apprentices in regional areas has the potential to create concerns, both for the overseas new apprentice and within the community.

This may include issues of physical and social isolation, language, workplace and culture differences and resentment against ‘foreign workers.’

Anticipating and addressing potential community relations issues is essential to ensure broad community support for the initiative and that overseas new apprentices are valued for the contribution they can make to regional communities.

Potential community concerns are discussed below.

Question: Full fee paying for new apprenticeship training is objectionable. If Australia has a need for their skills, shouldn't Australia be prepared to cover the costs for their training?

Answer: With the exception of the NAIP offset contribution via the second visa application charge, there is no real difference between what TSTV holders will pay and what other international full fee paying student visa holders presently pay.

Question: Won't employers exploit TSTV holders?

Answer: This visa has more safeguards than the present student visa regime. New apprenticeships will be undertaken under the New Apprenticeships Scheme, which has its

own protections built in. In addition, DIMIA will monitor sponsors' and employers' compliance with their obligations. This will be done cooperatively with the relevant State and Territory authority which have their own monitoring regimes in place for all new apprentices.

Question: Won't Young Australians miss out on new apprenticeships?

Answer: A key requirement is that DIMIA must be satisfied Australians cannot fill the new apprenticeship vacancy. Regional Certifying Bodies (RCBs) have been tasked to certify this after consultations with the employer, taking into account their local knowledge (details at www.immi.gov.au/migration/employers/certifying_bodies.htm).

Question: Are RCBs competent enough to undertake this certification?

Answer: RCBs are in many cases State or Territory Government agencies. They have an established history of effectively working with many aspects of the Migration Program and will bring this experience to bear on the TSTV program. Where particular concerns are held, it would be possible for the RCB to consult with local employer and union representatives.

ACCI is seeking further strengthening of the RCB role by ensuring the interests of employers are better taken into account.

Question: Has industry demonstrated an actual shortage of new apprentices as opposed to a skills and labour shortage?

Answer: The visa was developed following representations to government by ACCI and other employer bodies in regional Australia. While there may be areas of Australia where all new apprenticeship vacancies can be filled by local youth, ACCI research shows that there are some regions where this is not the case, and in those regions this visa would be an alternate option.

Question: Is it fair that a person is on a wage and pays taxes, but is not able to access services such as Medicare?

Answer: This is the case for most temporary resident visa holders and is nothing new.

Question: Shouldn't successful visa applicants be granted permanent residence from the beginning?

Answer: It is appropriate to be on a temporary resident visa whilst training to gain Australian qualifications, just as overseas students do. Permanent residence would be available after qualification gained.

Question: Has there been a lack of consultation?

Answer: There have been extensive consultations by ACCI and DIMIA with Commonwealth, State and Territory Government departments, industry peak bodies, international education peak bodies, unions and other interested stakeholders while the visa was being developed.

CONCLUSION

The focus of the TSTV is to assist employers to meet regional and remote skills and labour shortages.

The visa will ensure regional communities enjoy increased access to trade skill services and the downstream benefits of an increased population to support local businesses.

ACCI believes the TSTV is principally a visa that enables semi-skilled workers from overseas to come to Australia to upgrade skills already held.

ACCI is a strong supporter of this initiative but believes that a more co-ordinated approach needs to be taken in terms of visa implementation and particularly in ensuring overseas RPL processes are in place. To this end ACCI will be bringing together ACCI members, VET Providers, DIMIA, DEST, potential sponsors and State/Territory governments to reach agreement on an implementation strategy for the visa.

In addition, ACCI will continue to promote the TSTV through our member organisations and encourage participation in pilots early in 2006.

Further enquiries about the TSTV can be directed to ACCI's Skilled Migration Adviser, Michael Christopher by phone on 02 6270 8029 or by email michael.Christopher@acci.asn.au.

More technical detail on DIMIA's visa processing arrangements is on DIMIA's website - www.immi.gov.au/sponsor/training/index.htm.