



Policy Intent for the use of Occupation Ceilings

Issued by Permanent Skilled Policy and Labour Market Analysis
Section.

Current as at: 05/01/2017

Overview

Occupation ceilings are limits on the number of invitations for each occupation that can be issued through SkillSelect each year. These ceilings ensure the skilled migration programme is not dominated by a narrow group of occupations.

Policy Principles

The introduction of occupation ceilings coincided with the introduction of SkillSelect in July 2012. Occupation ceilings were intended to complement the SkillSelect system, which allows the Government to invite applicants for the independent points-tested visa programme. Prior to the introduction of SkillSelect, there were concerns that the skilled migration programme was being dominated by a narrow group of occupations due to the client-driven nature of the programme.

Policy Parameters

Occupation ceilings only apply to the Skilled Independent (subclass 189) and the Eligible Relative nominated stream of the Skilled Regional (Provisional) (subclass 489) visas.

Occupation ceilings are currently calculated by:

1. Taking stock employment figures at the Australia and New Zealand Standard Classification of Occupation (ANZSCO) Unit Group (4 digit level) from Australian Bureau of Statistics data. This is the level at which data was considered to be the most reliable and relevant to the setting of ceilings.
2. Applying the agreed multiplier to these stock employment figures. This agreed multiplier is six per cent for most occupations. This multiplier reflects consensus as to the standard

replacement rate in any given occupation, and that this was an effective upper limit to new entrants in the human capital streams of the skilled migration programme.

3. The minimum ceiling level for all occupations is 1000 invitations.

These figures are then published on the Department's website before the start of the programme year.

During the programme year, the tally of the number of invitations for each occupation is updated after each invitation round. This ensures applicants have a transparent view of the number of invitations left for their occupation.

Aside from two occupations which have lower ceilings, occupations on the SOL are subject to an occupation ceiling of six per cent of the total stock employment figure for each occupation. Two occupations have lower ceilings due to integrity concerns; Accountants are subject to a ceiling of two and a half per cent (across all skilled visas), and Chefs are subject to a ceiling of three per cent.

The application of the ceiling for Accountants across all skilled visas was first implemented in the 2015-16 programme year, when the then Assistant Minister for Immigration and Border Protection agreed to apply the ceiling more broadly to address integrity concerns with the occupation. The ability to apply the ceiling to a broader range of skilled visas is complex, as no other skilled visa has the capability to cap invitations or applications by occupation. As a result, the calculation of the ceiling to apply to the independent points-tested is done by:

1. Calculating the total number of Accountants granted visas in the employer and state and territory sponsored visas in the previous programme year. This is then used as an estimate of the number of Accountants that will be granted in the next programme year.
2. Two and a half per cent of the stock employment figures for accountants is calculated, and the estimated number of grants for employer and state and territory is subtracted. The result is the ceiling that will apply to the independent points-tested visa in SkillSelect.
3. As an example → for the 2015-16 programme year, it was forecast that there would be approximately 1,670 Accountants granted under the employer and state and territory sponsored migration programmes.
 - a. It was then determined that two and a half per cent of the Accountants stock employment figure would be 4,202. By removing 1,670 from 4,202, the result was 2,532 invitations.
 - b. This number was then broken down between the Skilled Independent (subclass 189) and the family nominated stream of the Skilled Regional (Provisional)(subclass 489) visas to: 2,407 invitations for the 189 and 125 invitations for the 489.

Risks and Sensitivities

The use of occupation ceilings seeks to ensure the points-tested visa programme is not dominated by a narrow group of occupations, as seen in some other skilled visa programmes. However, given the way occupation ceilings are calculated, the high use of some occupations and low use of others has unintentionally caused a small group of occupations to dominate the programme. This is because the occupation ceilings only reflect six per cent of the overall stock employment figures across Australia, and are not proportional to the planning level for the independent skilled visas.

For instance, the current occupation ceiling for Registered Nurses (ANZSCO 4-digit code: 2544) is 16,346. The overall number of places in the skilled independent points-tested programme is

24,196. If the Government issued enough invitations to reach this ceiling, then essentially the Registered Nurses would make up over half of the programme.

In a similar vein (although on a much smaller scale) the few occupations that are meeting their ceilings are (generally) Engineers, Accountants and IT professionals, and by the nature of meeting their ceilings they are dominating the programme.

There are some sensitivities associated with this policy, particularly around the reduced ceiling for Accountants. Given Accountants are subject to a significantly reduced ceiling, the invitations must be pro-rataed over the course of the programme year. This means that generally the only Accountants that are invited to apply have a much higher points-test pass mark than other occupations. Additionally, it encourages Accountants to seek other pathways to permanent residence which may have less stringent requirements, such as the Employer Sponsored or State and Territory Nominated skilled visas.

Policy history

Occupation ceilings were introduced as part of SkillSelect on 1 July 2012. When they were first introduced, they applied to all points-tested visas in SkillSelect. The methodology for setting occupation ceilings was developed by the Department in consultation with the Treasury, the Department of Employment and the Australian Workforce and Productivity Agency.

In 2013, an evaluation of occupation ceilings was conducted, and it was determined that occupation ceilings would no longer apply to state and territory nominated points-tested visas. Additionally, it was determined that the minimum ceiling level would be 1000 places. These amendments were introduced in July 2014.

The 2014-15 occupation ceilings also introduced a new reduced ceiling for two occupations – Chefs (three per cent) and Accountants (three per cent). In the 2015-16 programme year, the ceiling for Accountants was further reduced to two and a half per cent and the three per cent ceiling for Chefs was maintained.

In 2015, for implementation in the 2015-16 programme year, the then Assistant Minister agreed to the reduced ceiling for Accountants applying across all skilled visas. This was due to integrity concerns with the Accountants cohort. This methodology remained for the 2016-17 programme year.

Accountability and Assurance Mechanisms

The policy owner for occupation ceilings is the Permanent Skilled Policy and Labour Market Analysis Section, in the Economic Policy Branch. The policy for occupation ceilings is accountable to Outcome 2 of the Department's Portfolio Budget Statement – 'support a prosperous and inclusive society, and advance Australia's economic interests through the effective management of the visa and citizenship programs and provision of refugee and humanitarian assistance'¹. The policy and programme outcomes are additionally accountable to other mechanisms such as the Migration Programme planning levels for each programme year the will of Government and legislative parameters.

The intended measurement of success is that the independent skilled visa programme is not dominated by a narrow group of occupations. During the last review of the effectiveness of

¹ Australian Government Department of Immigration and Border Protection, Portfolio Budget Statements 2016-17, p. 4. (available: <http://www.border.gov.au/ReportsandPublications/Documents/budget/2016-17-pbs-full.pdf>)

occupation ceilings in 2013, it was determined that the calculations for occupation ceilings were sound. However, since this review, it would be prudent to reconsider whether occupation ceilings are continuing to meet their intended goals.

Stakeholders

The Skilled Migration Programme Management Section, in the Permanent Visa and Citizenship Programme Branch, is responsible for managing the occupation ceilings in SkillSelect. Additionally, they manage the SkillSelect invitation process, including the pro-rata of invitations for occupations that consistently meet their ceilings.

Version Control

Version	Date	Author	Summary of Key Changes
0.1	05/01/2017	s. 22(1)(a)(ii)	First draft of document.

Pro Rata Occupations for 2017-18 Programme Year

ANZSCO #	Occupation	Ceiling	Pro rata amount
2211	Accountants	4785	239
2212	Auditors, Company Secretaries and Corporate Treasurers	1327	66
2334	Electronics Engineers	1000	50
2335	Industrial, Mechanical and Production Engineers	2178	108
2339	Other Engineering Professionals	1000	50
2611	ICT Business and Systems Analysts	1574	78
2613	Software and Applications Programmers	6202	310
2631	Computer Network Professionals	1318	65

From: s. 22(1)(a)(ii)
To: s. 22(1)(a)(ii)
Subject: FW: Accountants [SEC=UNCLASSIFIED]
Date: Friday, 17 November 2017 1:20:11 PM

UNCLASSIFIED

Hi s. 22(1)(a)(ii)

s. 22(1)(a)(ii) emailed on 8 June 2017 stating that the whole ceiling applied to 189 and 489 (fam) as per the PAM.

s. 22(1)(a)(ii)

Skilled Migration Programme Management Section
Economic and Skilled Visa Programme Branch | Visa and Citizenship Management Division
Visa and Citizenship Services Group
Department of Immigration and Border Protection

P: s. 22(1)(a)(ii)

E: s. 22(1)(a)(ii)

UNCLASSIFIED

From: s. 22(1)(a)(ii)

Sent: Friday, 17 November 2017 12:01 PM

To: s. 22(1)(a)(ii) @border.gov.au; s. 22(1)(a)(ii)

s. 22(1)(a)(ii) @border.gov.au>

Cc: s. 22(1)(a)(ii) @border.gov.au; s. 22(1)(a)(ii)

s. 22(1)(a)(ii) @border.gov.au; s. 22(1)(a)(ii) @border.gov.au>

Subject: FW: Accountants [SEC=UNCLASSIFIED]

UNCLASSIFIED

s. 22(1)(a)(ii) can you send a copy of the document referred?

s. 22(1)(a)(ii) – can you look into this with s. 22(1)(a)(ii) help as she has been involved in organising for this program year.

Many thanks

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

A/g Director
Skilled Migration Program Management Section
Economic and Skilled Visa Program Branch | Visa and Citizenship Management Division
Visa and Citizenship Services Group
Department of Immigration and Border Protection

P: s. 22(1)(a)(ii)

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UNCLASSIFIED

From: s. 22(1)(a)(ii)

Sent: Thursday, 16 November 2017 12:07 PM

To: s. 22(1)(a)(ii)@border.gov.au>

Subject: Accountants [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi s. 22(1)(a)(ii)

s. 22(1)(a)(ii) sent me the 2017-18 Occupational ceiling tables back in September and they show how the Occ ceiling is calculated from the ABS data. For Accountants, as you know the factor is set at 2.5% rather than the standard 6% so for accountants we ended up with:

ABS data (191,411.6) x 2.5%= **4,785**

This is the number that is on the website in the Occupation Ceilings tab. The website also states that:

Occupation Ceilings do not apply to State and Territory Nominated, Employer sponsored or Business Innovation and Investment visa subclasses.

So therefore Occupational Ceilings only limit the number of people in each occupation for the 189 and 489 invited applicant Stream (family sponsored).

I found a document called:

Policy Intent for the use of Occupation Ceilings, Issued by Permanent Skilled Policy and Labour Market Analysis Section. Current as at: 05/01/2017

In that document it says (I've highlighted some bits):

Two occupations have lower ceilings due to integrity concerns; Accountants are subject to a ceiling of two and a half per cent (across all skilled visas), and Chefs are subject to a ceiling of three per cent.

The application of the ceiling for Accountants **across all skilled visas** was first implemented in the 2015-16 programme year, when the then Assistant Minister for Immigration and Border Protection agreed to apply the ceiling more broadly to address integrity concerns with the occupation. **The ability to apply the ceiling to a broader range of skilled visas is complex, as no other skilled visa has the capability to cap invitations or applications by occupation. As a result, the calculation of the ceiling to apply to the independent points-tested is done by:**

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in the next programme year.

- 2. Two and a half per cent of the stock employment figures for accountants is calculated, and the estimated number of grants for employer and state and territory is subtracted. The result is the ceiling that will apply to the independent points-tested visa in SkillSelect.**
- 3. As an example → for the 2015-16 programme year, it was forecast that there would be approximately 1,670 Accountants granted under the employer and state and territory sponsored migration programmes.**
 - a. It was then determined that two and a half per cent of the Accountants stock employment figure would be 4,202. By removing 1,670 from 4,202, the result was 2,532 invitations.**
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It doesn't appear to me that the 2.5% Accountants figure has been adjusted for the other skilled programs.

If it were to be adjusted the figure would be:

2.5% of stock figure 4,785

Less:

Accountants granted in 2016-17 under ENS/RSMS -	1,087
Accountants granted in 2016-17 under State sponsored (190/489) -	<u>1,324</u> <u>2,411</u>

Ceiling for independent points tested visas in SkillSelect: 2,374

The numbers for Accountants granted in Employer and State sponsored programs would need to be checked (I took the data off the pivot tables) on the S drive.

What's your view of the above?

s. 22(1)(a)(ii)

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