



Activate
AUSTRALIA'S
SKILLS



Skilled & ready

A blueprint for activating Australia's
overseas-trained workforce

OCTOBER 2024

23-year-old Anastasiia, originally from the Ukraine. After studying a Bachelor of International Law in her home country, Anastasiia found it challenging to find meaningful employment in her chosen field in Australia. Luckily, she changed career paths and found herself working in her dream job as an SSI support worker for new arrivals.

Front cover: Ali arrived in Australia in 2022 with a bachelor's degree in visual communication from the Faculty of Fine Arts in Damascus in Syria and with ten years of varied professional experience in arts and design. Today, Ali balances his art and graphic design with a security job, studying and plans to mentor the next generation of Australia's diverse artists.



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Acknowledgement of country

We acknowledge the Traditional Custodians of the Land. We pay respect to Elders past, present and emerging and acknowledge the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples. Ancestors have walked this country, and we acknowledge their special and unique place in our nation's historical, cultural and linguistic identity.

About this report

This report is part of the Activate Australia's Skills campaign and provides a blueprint for reforming Australia's overseas skills and qualifications system. Active Australia's Skills is an alliance campaign to ensure everyone in Australia can have their skills and expertise recognised to work at their full potential. This will help address the significant skills shortages that are impacting Australian communities and businesses.



Executive Summary

Australia is at its strongest when everyone can fully contribute. Our communities and businesses thrive when individuals' skills, expertise and lived experience are fully harnessed.

Despite a national skills crisis, where one in three occupations across all industries are in shortage, almost half (44 per cent) of permanent migrants in Australia have skills that are not fully harnessed. Within this group, 60 per cent arrived through the skilled migration program (Deloitte Access Economics, 2024). This is a significant lost opportunity. With a population that is ageing, and stagnant productivity, the skills shortage challenge will only worsen. Industry surveys of Australian businesses report that around 90 per cent of employers face skills shortages and almost half indicated that this was significantly affecting their business (Business NSW, 2022; Australian Industry Group, 2023). At an economy-wide level, Australia is missing out on \$9 billion of additional economic activity each year because migrants work below their level of skills and qualifications at a higher rate than Australian-born workers.

Meanwhile, people with valuable overseas experience face a maze of hurdles to work in their fields that are not related to their actual skills. Australia's overseas skills and qualifications recognition system is bureaucratic, expensive, time-consuming and it is not meeting the skills needs of industries, local communities and businesses. For industries, the inefficiencies of the system inhibit the free flow and mobility of labour in Australia's employment market. Australia's workforce is unable to meet business needs, constraining their ability to operate, grow or innovate. This results in higher prices and reduced access to essential goods and services for communities, particularly in regional Australia (Australian Chamber of Commerce and Industry, 2022).

Globally, the competition for skilled migrants is high, particularly in areas of healthcare, high-tech and green energy. These skills are critical to support Australia's green economy transition, the future of work, and sovereign capability in advanced technologies. Australian industries, businesses and communities are developing strategies and innovating to address the skills shortage crises, but they cannot change the system alone. The Australian Government has an important role in reforming the end-to-end system for how overseas skills and qualifications are recognised, for migration and employment purposes.

Four policy reforms are needed at the federal government level to both alleviate the skills shortage impact on businesses and improve services:

1. **Establish one national governance system for overseas skills and qualifications recognition**, including an Ombudsman with regulatory power and resources to provide independent oversight and transparency.
2. **Ensure a seamless process** to better connect skills assessment and qualifications recognition approaches across migration and employment.
3. **Remove cost and access barriers** through financial support to individuals undertaking occupational registration/licensing and a national online portal as a single source of truth for navigating the end-to-end system.
4. **Create placed-based migrant employment pathways hubs** with specialised skills recognition navigators to guide individuals through the occupational licensing and registration process, combined with other employment support.

By implementing these four reforms, Australia can activate the potential that is currently being underutilised, address skills shortages and seize a significant economic opportunity.

The situation:

Australia is facing national skills shortages and stagnant productivity making it more important than ever to harness every skilled worker

In the last decade, Australia has experienced its slowest productivity growth in 60 years (Australian Institute of Company Directors, 2023), with structural challenges in Australia's labour market cited as a key contributor (KPMG, 2024; Jobs and Skills Australia, 2023).

The Productivity Commission has also identified a highly skilled and adaptive workforce as one of the most important competitive advantages for Australia's future economic growth, particularly for adapting to new technology and value creation (Productivity Commission, 2023).

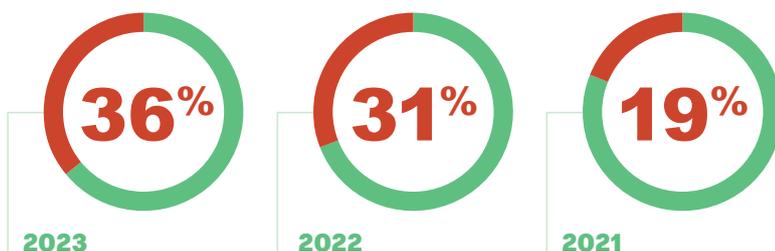
Meanwhile, over a third of occupations were in national shortage in 2023 (five per cent higher compared to 2022 and 17 per cent higher compared to 2021 – Chart 1). Most new shortages were in high-skilled professions (Jobs and Skills Australia, 2023). This is unsurprising given the nature of skills required for Australia's technology and green energy transition. The Productivity Commission (2023) estimates that nine out of ten new jobs will require post-secondary qualifications, where advancements in technology will demand increases in skill-levels.

From the perspective of Australian businesses, the situation is more critical where 93 per cent of NSW employers were experiencing skills shortages, based on a 2022 survey of employers by Business NSW (Business NSW, 2022). This trend is reflected in several key Australian industries: for example, in healthcare, four out of five (82 per cent) occupations were in

shortage in 2023 (Jobs and Skills Australia, 2023); and Infrastructure Australia's recent report found that Australia's construction workforce needs to grow by 127 per cent to meet demand (Coates, 2023). With slow population growth and an ageing population, Australia's skills shortage crisis is likely to deepen.

The skills challenge is particularly acute in regional Australia. Jobs vacancies in regional and rural Australia grew at three times the pace of metropolitan areas in December 2022. Many regional areas are competing for the same skills across a handful of professions – Medical Practitioners and Nurses; General Inquiry clerks; Carers and Aides; and Automotive and Engineering Trade workers. In some areas, the skills gap issue has been chronic but also coupled with high unemployment rates among the local community, highlighting the mismatch between the local workforce and needs of employers. For example, regions in Outback Queensland experienced a year-on-year increase of 25 per cent in job vacancies in 2022 while local unemployment is over 10 per cent (Houghton, Barwick, & Pregellio, 2023). Skills gaps are increasingly a bottleneck on the growth potential of regional Australia.

Chart 1: Proportion of occupations in shortage 2021 to 2023.



Source: Jobs & Skills Australia, Skills Priority List, 2021-2023

Research found that migrant women were 1.2 times more likely to be underutilised compared to their male counterparts.

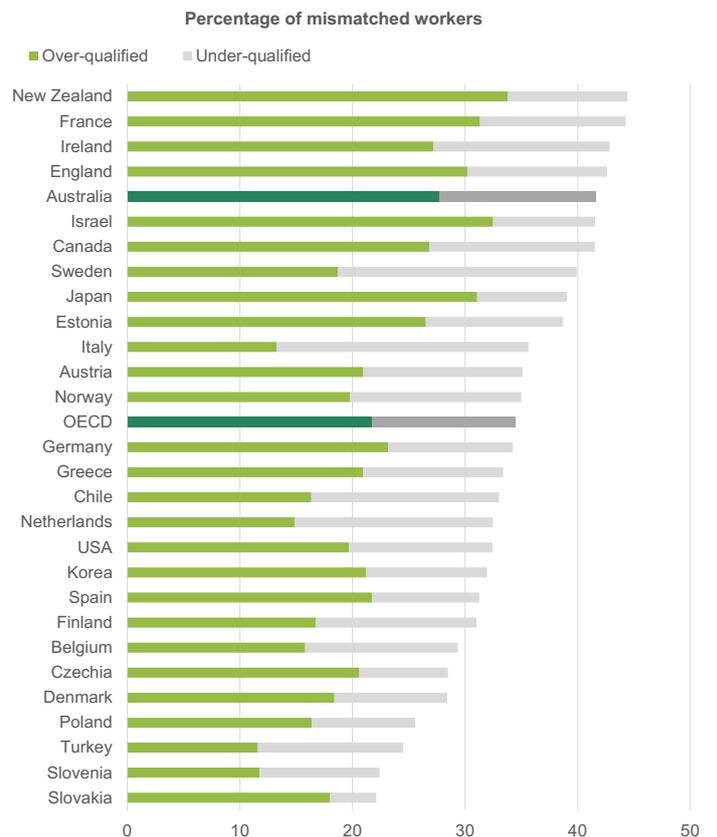
Overseas-acquired skills are underutilised in Australia's labour market

Almost half (44 per cent) of permanent migrants living in Australia are working below their level of skill and qualification (Chart 2). This equates to over 621,000 workers in 2024 who arrived in the last 15 years, of which three out of five arrived through the skilled migration program (Deloitte Access Economics, 2024). This means Australia's investment in the program is not being maximised for positive labour market outcomes and not meeting the needs of Australian employers. The skills mismatch is not due to the fields in which migrants are qualified. In fact, the skills in demand by Australian industries have strong alignment with the skills of Australia's permanent migrants - the top five qualifications underutilised migrants hold include Management/Commerce, Engineering and Related Technologies, Health and Information Technology.

Research by Deloitte Access Economics (2024) also found that migrant women were 1.2 times more likely to be underutilised compared to their male counterparts. A migrant's country of birth also determined their extent of underutilisation where the rate of skills underutilisation of migrants born in the 'Global South' were 11 per cent higher compared to migrants born in the 'Global North' (Deloitte Access Economics, 2024). This reflects the unique barriers different groups face navigating Australia's labour market.

Compared to other OECD countries, Australia's mismatch between skills and job requirements has historically been higher (Chart 3), with insufficient support for migrants to integrate into our labour market being a significant contributor (Barker, 2022).

Chart 3: Skills mismatch in Australia is high by international comparison



Source: OECD Survey of Adult Skills (PIAAC)

Chart 2: Extent of underutilisation (share of recent migrants in the labour force)



Source: Deloitte Access Economics using Australian Census Migrant Integrated Dataset (ACMID), 2021

The implication:

Skills shortages are a bottleneck on economic growth and significantly impact local communities and businesses

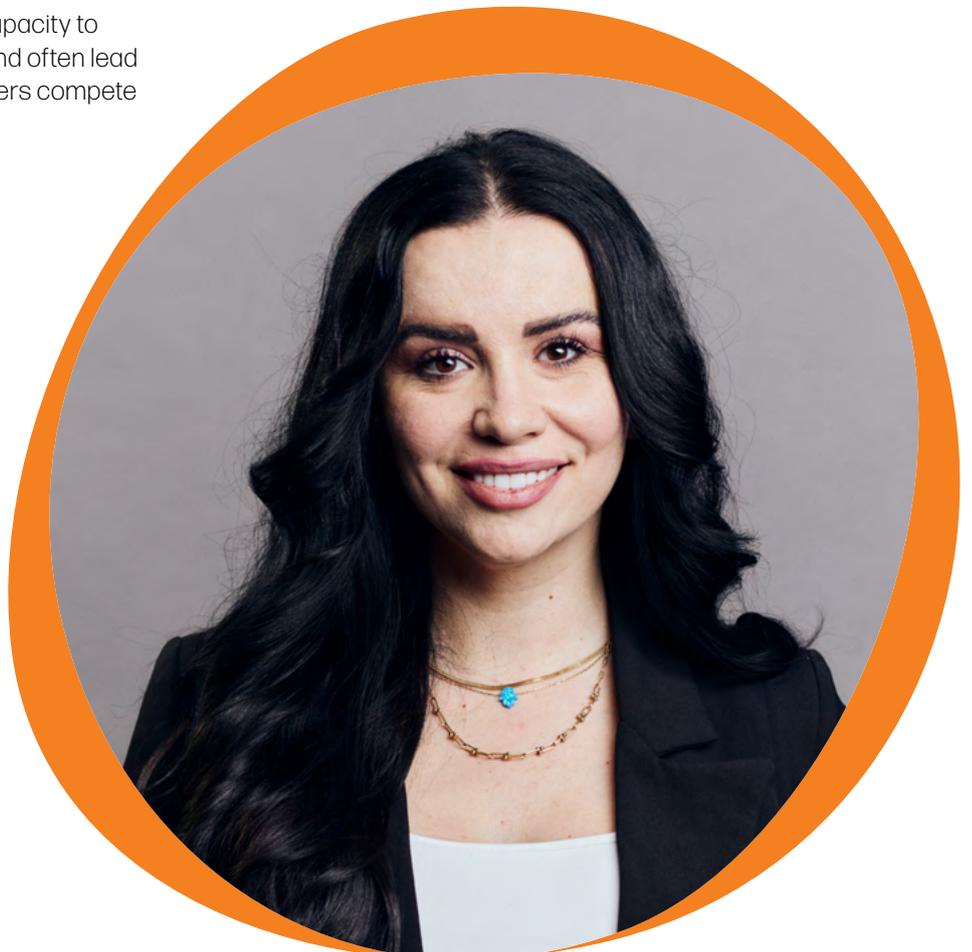
Businesses are disrupted by skills shortages

From local businesses through to large private and public organisations, employers across Australian industries are struggling to fill vacancies. In a 2023 survey of Australian CEOs by the Australian Industry Group, 90 per cent of business leaders expected to be affected by staff shortages and, within that group, 47 per cent expected their business to be “impacted to a great extent” (Australian Industry Group, 2023, p. 25). A 2022 Business NSW survey of 644 local employers in the state reported similar findings, where 51 per cent of employers indicated significant negative impacts on their business including losing customers or missing opportunities (Business NSW, 2022).

These shortages limit businesses’ capacity to meet demand, expand or innovate, and often lead to increased labour costs as employers compete

to attract talent. For regional Australia, vacancies represent a significant portion of the total industry workforce required and inhibits productivity (Houghton, Barwick, & Pregellio, 2023). In response, businesses of different industries, geographies and sizes are innovating to address the skills shortage issue - increasing wages or benefits, investing more in training and development, and providing additional incentives such as supporting employees with housing needs. (Australian Industry Group, 2023; Business NSW, 2022).

Dima graduated with a degree in Journalism from Damascus University and has built a versatile, decade-long career in journalism in Syria and Iraq. She currently works at SBS Australia and plans to continue her work of ‘being the voice’ of migrants and refugees.



Skills shortages mean local communities struggle to access services

For local communities, skills shortages have profound impacts from higher prices to reduced access to essential goods and services. Shortages in critical sectors such as healthcare and education are straining local services, resulting in longer wait times for medical care or lack of qualified early childhood educators to support working families (Australian Chamber of Commerce and Industry, 2022).

- Nationally, almost 200 GP clinics closed across the country in the last year, impacting every state and territory (Wisbey, 2024). According to a 2024 report by the Department of Health and Aged Care, there is currently a national shortage of almost 2,500 GPs, with this expected to grow by over 5,500 in ten years and up to 8,900 by 2048 (Heaney, 2024).
- GP closures put further strain on hospitals, where in NSW alone emergency department wait times have increased by 45 minutes compared to last year (Thomson & Gorrey, 2024). Almost half (43 per cent) of all patients spent over four hours at an emergency department between arriving and leaving, and one in ten patients spent longer than 11 hours (McLeod, 2023).
- In early childhood education, an additional 10,000 workers are required immediately and 30,000 workers over the next five years to keep up with demand, according to the Australian Childcare Alliance (Panagiotaros, 2023).

Skills gaps also mean that many important infrastructure and housing projects are delayed or scaled back, contributing to Australia's deepening housing crisis. For example, BuildSkills Australia – formed by the federal government to work with industry to address workforce issues in construction, property and water industries – reported that 90,000 new workers were needed to build 60,000 new homes across Australia each quarter, to reach the federal government's target of 1.2 million new homes in the next five years (Manfield, 2024). Meanwhile, research by Deloitte Access Economics found that 18,400 permanent migrants currently in Australia with qualifications in architecture and building are working below their skill level (Deloitte Access Economics, 2024).

For regional and rural Australia, these impacts are more significant, particularly as the local population ages and regions struggle to find new skilled workers to replace retiring professionals. In healthcare, for example, approximately 20 per cent of Australians in remote areas do not have access to a GP nearby and almost 60 per cent do not have access to specialists in their region (Medify, 2024). In early childhood education, a study by the Mitchell Institute found that 82 per cent of regional South Australian communities don't have access to childcare services (Panagiotaros, 2023). This impacts overall regional growth and development. The Regional Australia Institute found that addressing childcare worker shortages could enable over 11,600 parents/guardians to either enter the workforce or increase their existing workforce participation (i.e. moving from part-time to full-time work) across regional communities (Houghton, Barwick, & Pregellio, 2023).



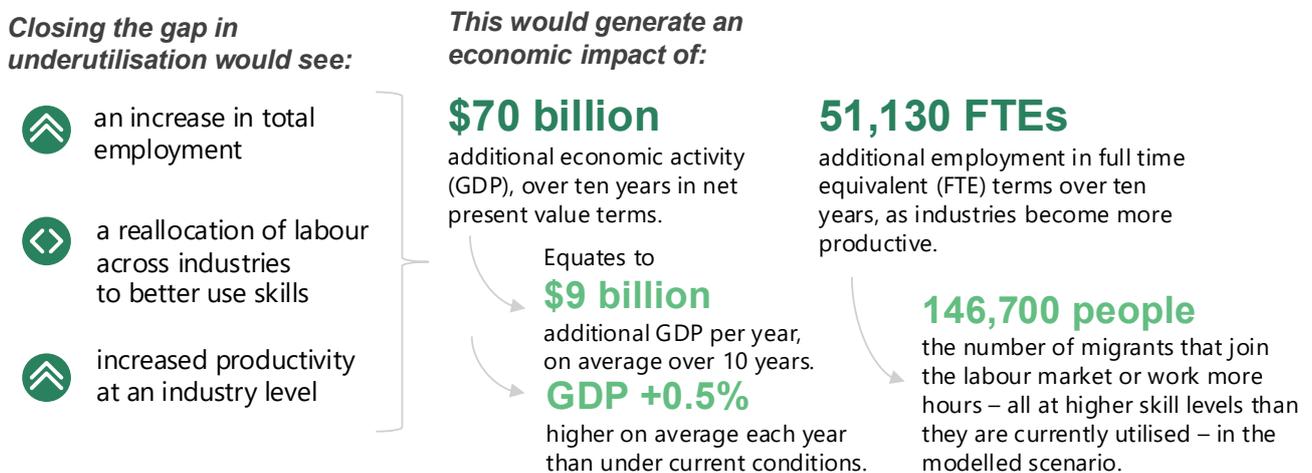
Australia is missing out on significant economic gains in the billions

Australia is missing out on \$9 billion each year in economic activity from not harnessing the skills of migrant workers. Closing the gap in skills underutilisation between migrants and Australian-born workers would increase GDP by almost 0.5 per cent each year, over ten years, and also increase national productivity and total employment by 51,130 Full Time Equivalent (FTE), across Australian industries. Better harnessing the skills of migrants would also lead to an increase in wages, on average, across the labour market by 0.08 per cent (Figure 1) (Deloitte Access Economics, 2024).

Every state and territory would benefit from addressing the migrant skills mismatch through increases in Gross State Product and expansion of state employment figures. Industries that would see the greatest increase in employment and value include Professional Services, Construction, Education and Public Services. These industries capture a range of occupations including engineers, scientists, social workers, emergency services, architects and teachers (Chart 4) (Deloitte Access Economics, 2024). A separate 2022 study by the Regional Australia Institute also found that filling the current vacancies in regional Australia would create \$1.24 billion in economic activity and unlock \$1.76 billion in direct wages paid to regional Australian workers (Houghton, Barwick, & Pregelio, 2023).

Australia is not alone in our skills shortage challenge. Globally, the demand for skilled migrants is higher than ever, particularly in areas critical to the future of work and economic growth (Australian Chamber of Commerce and Industry, 2022; LinkedIn, 2023). Of the three industries that the Deloitte research has identified will benefit the most from addressing the migrant skills mismatch, two (Professional Services and Education and Training) are in the top three employment industries over the next ten years, as projected by Jobs & Skills Australia (2023). This highlights the importance of better harnessing the skills and expertise of permanent migrants living in Australia and demonstrating globally that Australia's labour market is dynamic and competitive. Improving the recognition of overseas skills and qualifications could lift Australia's reputation as a place where overseas-trained professionals can use their expertise and build fulfilling careers.

Figure 1: Economic impact of closing the skills mismatch



Source: Deloitte Access Economics, Regional General Equilibrium Model (DAE-RGEM)

The problem:

Australia's system for recognising overseas skills, qualifications and experience is a key barrier to addressing skills shortages

Australia prides itself on every individual having the opportunity to contribute and succeed. These principles apply also to newcomers, who have chosen to make Australia their home. However, people with valuable experience face a range of obstacles, not related to their actual skills, to work in their fields of expertise. The long-standing challenges of Australia's overseas skills and qualifications recognition system are well established by existing research (Barker & Tofts-Len, 2024; Coates, Wiltshire, & Bradshaw, 2024; Settlement Council of Australia, 2019).

In particular, the Joint Standing Committee on Migration conducted a review of overseas skills recognition in 2006, with 55 recommendations made. It described the complexity of the system akin to navigating a maze - "If they start in the wrong place...they may find themselves lost in a bureaucratic muddle, unable to go forward or back" (Joint Standing Committee on Migration, 2006, p. ix). It has been almost 20 years since the review, however there is still no integrated oversight of the overall system at the national level. No single government entity is responsible for governing the end-to-end skills assessment and professional licensing and registration system, and to ensure quality, consistency and positive outcomes for Australia's labour market and industries. Rather, the responsibilities are currently divided among multiple federal government agencies with some parts of the system governed separately by state/territory governments.

The goal of Australia's skilled migration program is to attract overseas talent and help alleviate national skills shortages or gaps. This is not achieved when

those eligible for the program are then prevented from using their skills to work in the professions for which they were granted a visa. Once in Australia, newcomers are required to navigate various systems to obtain professional registration and licensing. They also often face a myriad of other labour market barriers to work in their fields (such as employers not valuing overseas experience, lack of support for and recognition of workplace-relevant English language proficiency, gendered barriers faced by migrant women, and unconscious bias in the screening of candidates) (Australian Government, 2024; Deloitte Access Economics, 2024; Barker & Tofts-Len, 2024; Department of Home Affairs, 2023b; Settlement Council of Australia, 2019). This disconnect between Australia's skills assessment for migration purposes and professional recognition for employment purposes is a key challenge, exacerbating the bureaucracy, complexity, and high costs that prevent overseas-trained professional from filling the very skills gaps they were invited to Australia to close.

“Australia prides itself on every individual having the opportunity to contribute and succeed.”



Migrants and employers alike experience difficulties with the system

From a migrant's perspective, individuals need to make multiple applications to separate bodies for migration versus employment, fulfil different documentation requirements and pay different fees to work at their skill-level in Australia.

There is limited data at a national level on the different costs, timelines and outcomes across different professions and jurisdictions. Depending on the profession, completing these processes can take anywhere from several months to several years, and does not guarantee individuals a pathway to work in their occupations. If an application is unsuccessful, there is no independent process for appeal – individuals need to pay another fee to the same authority to review their application again (Settlement Council of Australia, 2019). This complexity creates confusion and opportunities for exploitation (Coates, Wiltshire, & Reysenbach, 2023), and these lengthy processes result in many skilled migrants becoming de-skilled, having spent years outside of their profession (Deloitte Access Economics, 2018).

Employers report that skills assessment requirements are costly, extremely slow and confusing to navigate.

They recognise that this is a risk for Australia's competitiveness globally and exacerbates workforce shortages (Australian Senate Standing Committee on Legal and Constitutional Affairs, 2019, Chapter 3; Certified Practising Accountant (CPA) Australia, 2023). Concerns have also been raised about the extent to which the overseas qualifications system reflects the changing pace of industry and employers' skills needs, practices and standards (CPA Australia, 2023) (Western Australian Fishing Industry Council (WAFIC), 2023). These issues are highlighted in various industries such as Construction, where overseas-born workers comprise about 24 per cent of the building and construction workforce, yet only 2.8 per cent of those have arrived in the last five years (Master Builders Australia, 2024).

The system is bureaucratic and confusing to navigate

The current overseas skills and qualifications system across migration and employment involves over 650 occupations, 39 assessing authorities that undertake assessments for skilled migration visas (Department of Home Affairs, 2024), eight privately operated skilled migration assessors for trades (Trades Recognition Australia, n.d) and over 30 professional and regulatory bodies that issue occupational licenses or registration (Australian Health Practitioner Regulation Agency, 2024; Legal Profession Admission Board (NSW), 2023; Consumer Affairs Victoria, 2024).¹ Navigating this confusing system is required for many Australian professions, such as legal, healthcare, education, engineering, and trades (plumbing, painting, electrical, etc.). Around one in five people employed in Australia worked in a profession subject to occupational licensing or registration in 2011 (Barker, 2022). The number and type of occupations that require licenses/registration can also differ by jurisdiction, from approximately eight occupations in South Australia, to 37 in New South Wales (New South Wales Fair Trading, n.d).² While governments have progressed automatic mutual recognition of occupational licenses between state and territories, it does not address the barriers overseas-trained workers experience in navigating jurisdiction-specific systems.

¹ The Consumer Affairs Victoria and Legal Profession Admission Board (NSW) references are examples of state/territory based bodies that are responsible for granting occupational licenses/registration.

² As above, NSW Fair Trading is provided as an illustrative example.

Despite over 13 years' experience practising and teaching dentistry in Kabul, Afghanistan, Sadia's efforts to practice in Australia was stalled when she was unable to attain one of the government documents required from Afghanistan to sit the Australian Dental Association exam. After several years of persistence, Sadia was able to track down alternative documentation to sit her exam in 2024 and was offered a part-time role in a South-West Sydney dental surgery.

Regulation is inconsistent across professions

Aside from the medical profession (regulated federally in Australia) and trades (regulated by each state/territory), all other professions are either self-regulated or unregulated. With no national oversight to ensure quality and consistency, each assessing authority (both private and public) and professional body operate within their own frameworks for setting pricing, documentation requirements, processes and timelines. Over time, the number of actors (federal and state governments, migration assessing authorities, occupational licensing/recognition bodies, industry bodies, employers, unions, employment service providers, training organisations and teaching institutions, etc.), pathways and criteria for obtaining occupational licensing or registration across Australia have become harder to understand and navigate.



Application fees and costs can be prohibitively high

The costs of having overseas qualifications recognised is another major barrier for many overseas-trained workers. It also increases the time required to undertake occupation licensing / registration as people with overseas qualifications balance paying the bills with saving up for expensive application fees. There is currently no national subsidy or loan scheme to support newcomers with these costs. In the migration part of the system, the 39 Skilled Migration Assessing Authorities (SMAA) set their own individual costs and requirements. While they operate within federal government jurisdiction, they are accountable to different government departments for different aspects of their role. Overall, the government has adopted a light-touch oversight role. There is limited publicly available data on the cost and performance of SMAAs and their reasons for arriving at different assessing decisions. Appeals that are lodged require payment of additional fees.

Once in Australia, the costs involved for occupational licensing and registration can range from very little to tens of thousands of dollars, depending on the occupation. For example, the 2023 Kruk Review found that it can take overseas-trained general practitioners 35 to 130 weeks to be able to practise in Australia, and the process can cost up to \$51,000 (Coates, Wiltshire, & Bradshaw, 2024). In dentistry, the cost for registration costs roughly \$8,000 to obtain skills and qualifications recognition via the Australian Dental Council. Internal appeal costs range from an additional \$600 to over \$5,000 depending on the stage being appealed (Australian Dental Council, 2024).

For trades, the 2023 Migration System Review found that the skills recognition process can cost more than \$9,000 for some skilled trades and take up to 18 months (Coates, Wiltshire, & Bradshaw, 2024). In construction, the cost has increased within six months to over \$10,000 for migrants to have their skills recognised (Master Builders Australia, 2024). Previously, the federal government did provide an Assessment Subsidy for Overseas Trained Professionals (ASDOT), administered by the Department of Education and Training (DET) to reduce costs for overseas skills and qualifications assessment and recognition (OSQAR) (Australian Senate Standing Committee on Legal and Constitutional Affairs, 2019, Chapter 7). However, this scheme was abolished in 2015 (Settlement Council of Australia, 2019).

Information is fragmented and difficult to understand

Accessing Australia's overseas skills and qualifications recognition system is also challenging without a single source of truth. There is no authoritative central resource that newcomers can use to help them understand the migration versus employment assessment systems, determine whether their skills are in a profession that requires licensing or registration, which body is responsible for which regulated occupation, and the processes required to obtain a license/registration (Settlement Council of Australia, 2019). Without such a resource to guide individuals through this complex system, many migrants either decide not to have their qualifications recognised and work below their skill-level or use informal resources to proceed. This can result in even longer wait times, higher costs and poorer outcomes.

Further, most of the information about Australia's overseas skills and qualifications recognition system and requirements are only available in English. The onus is on individuals to have resources translated in language or to find interpreter services. While Australia's migration system requires skilled migrants to be proficient in English, information for occupational licensing and registration can be very technical and require local knowledge to understand. Secondary visa applicants or those who arrived through humanitarian or family visas may also have lower English language-proficiency, making it more difficult for them to access and navigate the system.

Navigating a disconnected recognition system:

Antonio's nearly decade-long journey as an expert physiotherapist from Chile to practicing in Australia

Meet specialist physiotherapist, Antonio

Chilean-born Antonio enjoyed a successful and fulfilling career for over a decade, working at the top of his field in specialist physiotherapy in his home country.



When he migrated to Australia with his wife and newborn, he thought it couldn't be too difficult to continue his passion and help Australians in pain – given his extensive experience and qualifications.

However, after arriving in Sydney in 2018, Antonio quickly realised he was wrong.

For over ten years, Antonio excelled as a highly trained trauma physiotherapist specialist at one of the top hospitals in Santiago, Chile's capital. He managed complex cases ranging from bone cancer to motor vehicle trauma.

"When I came to Australia, I wasn't expecting to have my degrees recognised right away, but I thought I'd have a chance to show my expertise," he said.

Yet, like many before him, Antonio faced a complex, costly, and lengthy process to have his qualifications recognised and to register to practice physiotherapy in Australia.

The assessment pathway involves an online test costing thousands of dollars, along with several practical exams, all requiring separate trips to Melbourne – the only location in Australia where the tests are offered.

While Antonio wanted to work and help tackle Australia's growing pain problem, he was unsure how he could afford those costs alongside the visa fees, practical exams, travel expenses and supporting his family.

As recent migrants, Antonio and his young family were struggling financially to navigate rising living costs like other Australians, but without access to any government services and support.

At the time, Antonio's wife, a biologist and biotech engineer in Chile who struggled with her own nightmares getting her skills recognised, was unable

to work. She was tied up in her Master's studies in immunology in Sydney.

"We were living in one bedroom in a flat shared with strangers. There was a day when we couldn't even afford five dollars for pasta," he said.

Antonio questioned how the recognition body could charge \$2,000 for an online test conducted with 70 people in a room supervised by two people, knowing that this fee couldn't possibly reflect the actual cost.

Unable to afford the costs, Antonio worked various casual jobs including waiting tables, working as a cleaner, labourer, barista, plumbers' assistant, and food deliverer.

"I was cleaning toilets at construction sites and would hear regional Australians suffering from severe pain tell me how they couldn't get a private physio appointment for months."

The latest Skills Priority List from the Australian Government's reports a nationwide shortage of

physiotherapists and an increasing demand to address the needs of our ageing population.

"I feel frustrated - I love treating patients. I chose this career because I was making a difference in people's lives," he said.

Antonio encountered additional delays in beginning his accreditation process because of uncertainties regarding his visa status, which, like for many newcomers, was being processed at the same time.

"How could I spend all that money and time when I was so uncertain about whether I would be allowed to stay in the country?" he said.

Now, after eight years, and since gaining permanent residency, Antonio has finally booked his tests for later this year.

Antonio explains that the recognition process is inherently linked to the immigration process; however, the two operate completely separately.

"Those developing these recognition processes are unaware of the financial and emotional toll involved—they don't fully grasp what this process truly means for migrants.

"If you don't understand the reality of migrants' experiences, how can you create a qualification recognition and immigration system that's fit for purpose?" he said.



“The latest Skills Priority List from the Australian Government's reports a nationwide shortage of physiotherapists and an increasing demand to address the needs of our ageing population.”

The solution:

Reform the overseas skills and qualifications recognition system to focus on quality, transparency and outcomes

Against a backdrop of widespread skills shortages, industries, employers and communities need a system that supports all Australian workers to fully utilise their skills and expertise. A reform of the overseas skills and qualifications recognition system is needed, with a greater focus on quality, transparency, and accountability to deliver industry and employment outcomes. Independent reviews of Australia's Migration System Productivity and Multicultural Framework acknowledged the critical role that skilled migration played in Australia's economic prosperity while also highlighting the significant barriers to realising skilled migrants' potential – one being the overseas skills and qualifications recognition system (Australian Government, 2024; Department of Home Affairs, 2023b).

It is worth acknowledging that concerted efforts have been made at different levels of government to improve the system. However, they have largely been incremental, focused on individual initiatives. For example, the federal government's 2023 Migration Strategy included a commitment to, "improve the approach to skills recognition and assessment to better unlock the potential of migrants" (Department of Home Affairs, 2023a, p. 78). As part of this commitment, the Department of Employment and Workplace Relations (DEWR) have undertaken three different pilots to improve access to and the speed of skills assessments (typically conducted as part of the migration application) and employability assessments for onshore skilled migrants (Coates, Wiltshire, & Bradshaw, 2024). Evaluations of these pilots are expected to be released later in 2024.

Additionally, the Assessing Authority Policy and Assurance (AAPA) team within DEWR have developed an assurance framework for Australia's 39 skilled migration assessing authorities, including best practice principles and standards and reporting requirements. This will be implemented in 2025, through a voluntary compliance framework.

While these developments are encouraging and welcomed, they remain 'light touch' and not targeted towards improving the overall system and addressing the issues of complexity and red tape, inconsistent regulation, prohibitive costs, or fragmented information. They are also largely focused on the skills assessment for migration purposes only, with limited to no initiatives to address the disconnect with the employment part of the system – professional licensing and registration.

“Australia's Productivity Review, Migration System and Multicultural Framework all acknowledged the critical role that skilled migration played in Australia's economic prosperity.”

How other countries have improved overseas skills and qualifications recognition

Canada

Given Canada's federated government model, reforms to overseas skills and qualifications recognition occur at the provincial level. The federal government has taken an oversight and support role, fostering partnerships and streamlining approaches across provinces. Provinces have implemented legislative frameworks, such as the statutory independent Fairness Commission in Ontario, that has enhanced procedural fairness and reduced assessment times between 2011 and 2020. This has seen an increase in registration rates from approximately 25 per cent in 2012 to almost 45 per cent in 2020 (Office of the Manitoba Fairness Commissioner, 2021). In 2024, British Columbia introduced the International Credentials Recognition Act, requiring 18 regulatory bodies to reduce barriers in 29 professions to simplify and reduce the time required for qualified professionals to obtain credential recognition, regardless of where they were trained (Office of the Premier (British Columbia, Canada), 2023). Professions included engineering, paramedicine, teaching, architecture and more. The Act also removed unnecessary barriers and set standards including removing redundant language testing and establishing caps on processing times. A superintendent was established to promote fairness, monitor performance and enforce compliance with the new legislation.

The federal government has played a crucial role supporting partnerships across provinces to streamline processes (Government of Canada, 2023). It has also funded organisations that provide support to migrants and employers. This support includes low-interest loans to individuals for credential recognition, and the provision of training, work placements, and mentoring. A 2020 evaluation found that federal leadership was key in coordinating and simplifying foreign credential recognition, with loans helping to reduce cost barriers and speed up the recognition process (Employment and Social Development Canada, 2020).

Germany

Germany has taken a national, legislative approach to overseas skills and qualifications recognition. The Recognition Act, created in 2012, regulates and standardises the recognition process for overseas-trained workers across around 500 federally regulated professions. The Act created a legal right for individuals to have their overseas qualifications assessed, regardless of their nationality or where their qualification originated. The Act also mandated recognition outcomes to be finalised within two to four months, with 80 per cent of deadlines met by assessing authorities in 2022 (Federal Ministry of Education and Research (Germany), 2023).

This legislation establishes a uniform, streamlined process for recognising overseas qualifications across the country. To support its implementation, Germany developed information and guidance portals, including an online platform that provided information in language for both onshore and offshore applicants on how to get their qualifications recognised. The portal covered around 500 professions, including doctors, nurses, and teachers (Federal Ministry of Education and Research (Germany), 2023; Settlement Council of Australia, 2019). Germany's signature Integration Through Qualification Program goes further to provide overseas-trained workers with personalised counselling sessions on qualifications recognition, advice on bridging courses where appropriate, as well as mentoring and coaching sessions (Network IQ - Integration through Qualification, 2023). Workers needing to get their qualifications recognised can visit advice service centres in all 16 federal states.

To better attract and retain overseas talent and harness the skills of permanent migrants, other countries have taken concerted efforts to reform their systems for overseas skills and qualifications recognition. Four notable examples are outlined, reflecting different approaches but a common focus on labour market outcomes and reducing bureaucracy (Asante & Boucher, 2024).

Sweden

Sweden has also applied a national lens to overseas skills and qualifications reform but with 'Fast Track' initiatives that focus on occupations and industries with the greatest skills shortages. The federal government facilitated collaboration with industries, employers, unions, universities and government agencies to address occupation-specific barriers to licensing and registration. Fast Track Initiatives had a goal to integrate skilled migrants into the labour market within two years of arrival in Sweden. The initiatives targeted 30 occupations across 13 groups that included health and social care, energy and electronics, building, forestry and agriculture (UNESCO, 2020). The initiatives refined the requirements for education, language, practical skill sets, and qualifications and developed the support needed to transition and integrate migrants into the workforce, such as workplace supervision and mentorship (UNESCO, 2020; Morew & Walls, 2023). Through this tripartite initiative, candidates obtained full-time employment within a period of 13 to 15 months (European Parliament, 2018). To further improve the transparency, efficiency and ease of overseas qualifications recognition, Sweden introduced a new model in January 2024 (Walls, 2024). The new model uses a tiered system, with occupational categories that targets reducing processing times based on level of qualifications required for recognition/licensing (Morew & Walls, 2023; Fragomen, 2023).

United Kingdom

While the United Kingdom has not adopted a national approach across all professions and trades, innovations at a profession level have been adopted. For example, the UK Nursing and Midwifery Council is focusing on competency-based assessment rather than qualifications (UK Nursing and Midwifery Council, 2023). This involved adjusting the threshold for the English writing requirement for the professional registration of nurses from 7.0 to 6.5 (ibid). This change saw an increase in labour productivity in the health sector through record numbers of overseas trained nurses and midwives obtaining registration that year. Almost half (48%) were overseas trained (Professional Standards Authority for Health and Social Care (United Kingdom), 2023).

The path to meaningful reform

Multiple independent government and industry reviews have identified the need for major policy reform of Australia's overseas skills and qualifications recognition system. Australian industries, businesses and communities are developing innovative solutions to address the skills shortage crisis, but they cannot change the system alone. The federal government has an important role to nationally review and reform the end-to-end system for how overseas skills and qualifications are recognised, across migration and employment purposes. National leadership is needed to make the system more fit-for-purpose.

Four key policy reforms are recommended, focusing on both longer-term systems change and targeted programs to address immediate issues. These four solutions are complementary, and it is recommended that they be implemented together as part of a cohesive, multi-pronged approach to making the system more accountable, efficient, and accessible.



1 Establish one national governance system

Establish or empower one national governance body for all overseas skills assessment and qualifications recognition in Australia including:

- An Ombudsman with regulatory power and resources to provide independent oversight, assess complaints and appeals, and conduct reviews on pricing, timeliness and quality of assessments and accreditation.
- Empower tripartite (government, industry and unions) oversight of the system as part of a process of continual improvement.

2 Create a seamless process across migration and employment purposes

Recognising professional differences in requirements and standards, the process for recognising overseas skills and qualifications should be connected and seamless, minimising red tape and duplication.

3 Remove cost and access barriers

- Offer means-tested financial support to individuals, removing cost barriers that hold them back from going through the skills and qualifications recognition process.
- Create a national online portal (a one-stop-shop) that provides clear, integrated information on how to get skills and qualifications recognised in certain states/territories and professions, with referrals to services to provide appropriate support.

4 Set up Migrant Employment Pathways Hubs with skills recognition navigators

Establish specialist placed-based employment hubs in areas with high migrant populations to support migrant workers towards employment in their occupation of skill or qualification. These hubs would include skills and qualifications recognition 'navigators' who would provide personalised advice and support towards the recognition and accreditation of skills and qualifications, complemented by wrap-around employment services co-located in the one place. Eligibility for the hubs would be broad, beyond just those who are unemployed, so overseas-trained professionals who are working below their skill or outside their profession can receive support.

All parts of the ecosystem have a role

All levels of government, assessing authorities, professional licensing/registration bodies, industry and employers, and unions have a shared responsibility in unlocking the economic potential of all overseas-trained workers and taking action that values them as new workforce entrants in their own right. This includes re-examining unconscious bias behind requiring local experience and how that could be addressed through skills or competency-based hiring, rather than requirements for qualifications under a specific system (LinkedIn, 2023; Barker & Tofts-Len, 2024). Where local knowledge gaps exist, bridging courses or additional training, on-the-job coaching, paid internships or work placements could be considered. Making Australia's overseas skills and qualifications recognition system fit-for-purpose is critical to fill skills shortages, improve services and lift the country's economic performance.

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