



# The Productivity Fast Track:

**Accelerating growth through  
better skills recognition**

August 2025



## Acknowledgement of country

SSI acknowledges the Traditional Custodians of the lands where we live, learn and work. We remain committed to reconciliation and to working to realise Makarrata, a Yolngu word meaning the coming together after a struggle.

## About this report

This report is part of the Activate Australia's Skills campaign – an alliance of more than 100 organisations calling for reform of Australia's system for recognising overseas-acquired skills and qualifications. The campaign is convened and led by Settlement Services International (SSI). Find out more at [activateaustralia.org.au](https://activateaustralia.org.au).

The economic modelling underpinning this report was conducted by Precision Economics.

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# Key findings

- ➡ **One-third of all occupations in Australia are in shortage, and two-thirds of these have licensing requirements.** Persistent workforce gaps are acting as a handbrake on productivity and economic growth.
- ➡ **Despite chronic skill shortages, there are 253,000 permanent migrants in Australia with qualifications in regulated professions who are working below their skill level.** The process to get overseas skills and qualifications recognised is expensive, confusing, time-consuming and often unfair, with limited to no accountability to ensure authorities are meeting industry needs.
- ➡ **Enabling underutilised migrants to work in their regulated professions would deliver an average productivity boost of \$42,580 per worker each year.** This would have positive flow-on effects throughout the economy – at the household, industry and national levels.
- ➡ **If underutilised migrants worked in their fields, then it would substantially reduce shortages in critical services and industries.** Australia would benefit from adding 20,000 teachers, 50,000 engineers, 16,000 nurses, 5,000 psychologists and 1,300 electricians. Harnessing the skills of this untapped workforce would reduce class sizes, shorten waiting lists and improve services, with additional nursing staff alone enabling care for 22,800 additional hospital patients.
- ➡ **Industries that would benefit from the most additional workers would be professional services, education and healthcare – areas with key shortages.** Fields with smaller migrant cohorts but very high productivity gains per worker include medicine and dentistry.
- ➡ **Harnessing skilled workers is essential for Australia to successfully manage key economic and demographic headwinds.** These include stagnating productivity, an ageing population, green energy transition, and Future Made in Australia, among others.
- ➡ **Fixing the system for recognising overseas skills and qualifications while upholding standards would deliver fast and effective productivity gains, putting Australia on the “productivity fast track”.** Enabling more people to fully participate in the economy would result in fewer skills shortages, shorter waiting lists, better services and a more productive nation.

## The Productivity Fast Track: reform skills recognition to drive economic growth

### Persistent skills shortages are killing productivity

**70,000**  
unfilled  
vacancies in  
regional  
Australia

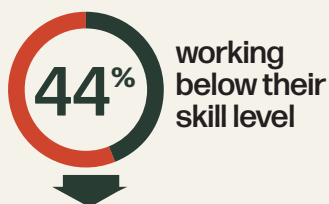


**1/3** of all occupations  
have worker  
shortages;  
**2/3** of which require  
licensing

**60-year**  
**LOW**  
productivity  
growth

### A workforce solution is hiding in plain sight

Many permanent migrants in Australia have valuable, but underutilised, skills.



**253,000**  
face blockages to working in  
their regulated professions

**1.7**  
times more likely  
than Australian-born  
workforce to hold a  
university degree

### Harnessing migrant skills would deliver immediate productivity gains

**\$42,580**  
average productivity  
boost per migrant  
able to work in their  
regulated profession

If underutilised  
migrants worked in  
their fields,  
then everyone would  
benefit from:



**47,315**  
engineers



**5,040**  
psychologists



**20,590**  
teachers



**2,560**  
pharmacists



**16,430**  
nurses



**1,050**  
plumbers

### Reform overseas skills and qualifications recognition to fast-track productivity

Four proven solutions to uphold high standards and make the system faster, fairer and more affordable:

**1**

Appoint a national ombudsman to  
oversee the system.

**3**

Reduce cost and information  
barriers for migrants.

**2**

Better link skills recognition for  
migration and employment.

**4**

Establish hubs with skills  
recognition navigators.

# Introduction

Australia faces a chronic skills shortage that is constraining productivity and slowing economic growth. Two-thirds of occupations in shortage are regulated professions, meaning workers require licensing or recognition of overseas skills and qualifications to work in those fields.

There is a productivity and workforce solution hiding in plain sight. Around 253,000 permanent migrants in Australia have skills and qualifications in regulated professions but are currently working below their skill level. A key driver of this mismatch is Australia's costly and confusing system for recognising overseas-acquired skills and qualifications. The process is time-consuming, expensive, inconsistent and opaque, with little to no oversight of the many bodies and associations that conduct overseas skills recognition.

This report quantifies, for the first time, the productivity gains Australia could achieve if underutilised permanent migrants were able to work in their regulated professions. It highlights the industries and occupations that would benefit most, and the average productivity uplift per worker from fully utilising their skills. The report also outlines four reforms to make the skills recognition system faster, fairer and more affordable – helping unlock productivity and economic benefits for businesses, communities, governments and migrant professionals alike.

Reforming overseas skills recognition would be an effective way to drive workforce participation and boost productivity as part of the Australian Government's economic reform agenda.

## Skills shortages are undermining productivity

Chronic workforce shortages across the economy are limiting the productivity potential of businesses. Jobs and Skills Australia (2025) estimates that one-third of all occupations are currently experiencing skill shortages. Analysis by Precision Economics, using ANZSCO role descriptions, indicates that around two-thirds of these shortage occupations are subject to some form of licensing requirement (Table 1). The prevalence of licensed occupations on shortage lists is highest in the Australian Capital Territory, Tasmania and South Australia.

Licensed shortage occupations include health professionals, educators and skilled trades such as electricians and mechanics. Many shortages are in fields with rising demand or acute need including healthcare, aged care, education, childcare and construction (Australian Treasury, 2023).

Skill shortages are especially acute in regional areas. According to analysis by the Regional Australia Institute, there were 70,000 job vacancies in regional Australia in July 2025. The top three occupational categories for job vacancies were professionals (27%), technicians and trade workers (16%) and clerical and administrative workers (13%).

**Table 1:** Licensing requirements of skill shortage occupations

Occupations	Aus	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
<b>Skill shortage</b> (% of all occupations)	32.0	35.2	33.2	30.6	31.7	35.5	30.5	34.0	32.2
<b>Total</b> (% of shortage occupations)	63.5	49.1	58.9	57.5	62.1	59.7	63.1	43.7	63.4
<i>Licence required (% of shortage occupations)</i>	37.2	24.2	35.5	30.7	36.2	34.5	37.6	20.6	38.0
<i>Licence may be required (% of shortage occupations)</i>	26.3	24.8	23.4	26.8	25.9	25.2	25.4	23.2	25.4

**Notes:** Occupations were categorised as "licensed" based on ABS occupational descriptions.

**Source:** Precision Economics analysis, Jobs and Skills Australia (2025), Australian and New Zealand Standard Classification of Occupations 2022.

## Skill underutilisation is exacerbating workforce shortages

A significant number of permanent migrants in Australia are working in roles that do not fully utilise their skills and qualifications. Analysis from Deloitte Access Economics (commissioned by SSI) (2024) estimates that 44 per cent of permanent migrants in Australia work below their skill level. This equates to 621,000 migrants, two-thirds of whom arrived through the skilled migration stream, whose skills are underutilised. This reveals that there are systemic barriers that are limiting the intended labour market outcomes from Australia's skilled migration program. The modelling found that Australia's economy would grow by an additional \$9 billion annually if permanent migrants worked in jobs that matched their skill level at the same rate as Australian-born workers.

Multiple factors contribute to the migrant skills mismatch: lack of social capital and networks; language barriers; limited local work experience; and discrimination and bias in recruitment processes. However, one key structural driver is Australia's system for recognising overseas skills and qualifications, which the 2023 Migration System Review described as a "fraught system" that is "complicated, expensive and lengthy".

Migrants face significant structural barriers to having their qualifications formally recognised in Australia in order to work in regulated professions. These barriers are often unrelated to the individual's actual skills or experience and include:

- **Duplicative, disjointed requirements:** skills recognition for the purposes of obtaining a skilled visa is disconnected from recognition for employment and licensing purposes once a migrant arrives in Australia. This causes confusion, delays and duplication.
- **Excessive fees and slow processes:** costs and recognition timeframes vary between occupations but can be prohibitive. For skilled trades, the skills recognition process can cost more than \$9,000 and take up to 18 months (Coates, Wiltshire and Bradshaw 2024). For overseas-trained general practitioners, the process can take 35 to 130 weeks to be able to practise in Australia and cost up to \$51,000 (Coates, Wiltshire and Bradshaw 2024). In dentistry, the cost for registration costs roughly \$8,000 (Australian Dental Council 2024).
- **Lack of clear, consistent information:** the current system for recognising overseas skills and qualifications for both migration and employment spans over 650 occupations and more than 70 assessing and licensing authorities. There is no central source of information or guidance on how to navigate this complex system.

- **Lack of transparency and accountability:** with no national oversight, each assessing authority or licensing body operates within its own framework, setting different prices, documentation requirements and processing timelines. There is no avenue to independently appeal recognition decisions.

These barriers have a twofold impact: migrants are prevented from fully applying their expertise and Australia misses opportunities to lift workforce productivity and maximise the return on its migration program. Ultimately, Australia's system for recognising overseas skills and qualifications is holding back productivity by creating unnecessary barriers for skilled migrants to enter the workforce. These barriers are particularly consequential in occupations already experiencing shortages.

## Unlocking migrant skills would fast-track productivity gains

Precision Economics has assessed the productivity gains Australia could realise from permanent migrants working in their regulated professions. If migrants had their skills and qualifications recognised and were able to work in roles that better matched their skills, then it would deliver an average productivity lift of \$42,580 per worker. Productivity improvements would be higher in some regulated professions over others. For example, migrants able to continue their careers in general medicine would each deliver a \$106,700 productivity gain on average, while those able to practice their skills in scaffolding and rigging would generate \$86,800 on average in productivity per worker. Some of these individuals are currently unemployed; others are working in roles well below their capability.

While not assessed at the individual level, Deloitte Access Economics (2024) found that productivity would improve at the industry level from better harnessing the skills of permanent migrants in Australia. Labour productivity would increase as more people are employed in industries most relevant to their skills and qualifications. Reducing skill shortages would enable sectors to be more efficient and scale more effectively, having flow-on effects throughout the economy.

“ If migrants had their skills and qualifications recognised and were able to work in roles that better matched their skills, then it would deliver an average productivity lift of \$42,580 per worker. ”

## ➔ Fast-tracking housing productivity: unlocking migrant skills to build 30,000 more homes each year

Labour shortages are one of the biggest drivers of cost blowouts and time delays in construction, a sector already under immense pressure amid Australia's national housing crisis.

According to Deloitte Access Economics (2024), there are 18,400 permanent migrants in Australia with building and construction-related qualifications who are working below their skill level. The main barrier is Australia's costly, confusing and time-consuming approach to recognising overseas skills and qualifications.

On average, each skilled tradesperson builds 2.4 houses per year. That means the underutilisation of qualified migrant workers is costing Australia at least 30,000 homes annually – homes that could ease the housing shortage for families, renters and communities across the country.









As CEO of Master Builders Australia Denita Wawn said: *"Harnessing the skills of overseas-trained workers is critical to addressing Australia's housing crisis. Yet to work in many roles in construction, they have to endure lengthy, expensive and complex skills assessment processes. For many, this results in them working below their skill level or not in the industry at all. This is a loss to building and construction and Australia as whole."*

### Better skills recognition would mean more teachers, nurses and engineers

Enabling more migrants to work in their fields of expertise would boost Australia's skilled workforce and reduce shortages in critical services and industries. The largest gains would occur in fields with large migrant cohorts and significant recognition barriers, notably accounting, teaching, engineering and nursing (Figure 1). Some fields have smaller migrant cohorts but high underutilisation rates.

**Figure 1:**

Fields where the most migrants could be better utilised

	Teacher education	20,590
	Nursing	16,430
	Engineering and related technologies (general)	18,270
	Electrical/electronic engineering (general)	9,420
	Children's services	8,520
	Care for the aged	8,710
	Banking and finance	10,500
	Accounting	50,080

Source: Precision Economics analysis, 2025

As discussed earlier, two-thirds of shortage occupations in Australia have some form of licensing requirement. There are a significant number of underutilised migrants who have skills and qualifications in occupations facing skill shortages.

- ▶ **Teaching** – an additional 20,590 qualified teachers could expand the workforce by 3.7%, reducing average class sizes by 0.46 students.
- ▶ **Nursing** – an additional 16,430 nurses could expand the workforce by 4.2%, increasing the Australian hospital system's capacity by 22,800 patients.
- ▶ **Pharmacy** – 2,560 additional qualified pharmacists could improve medicine dispensing capacity across regional and metropolitan areas.
- ▶ **Housing** – an additional 1,050 plumbers and an additional 1,320 electricians would accelerate new housing construction and help address Australia's supply shortage.
- ▶ **Psychologists** – 5,040 additional psychologists would reduce wait times for Australians seeking mental health support.
- ▶ **Net zero transition** – an additional 6,140 civil engineers, 3,780 electrical engineers and 6,860 mechanical engineers would expand the workforce needed for the large-scale infrastructure projects required to achieve net zero emissions by 2050.



## ➔ Fast-tracking net zero: how better harnessing migrant skills is critical for the green transition

Green skills are the knowledge and capabilities needed to support sustainability and respond to climate change. They are critical for Australia's transition to net zero.

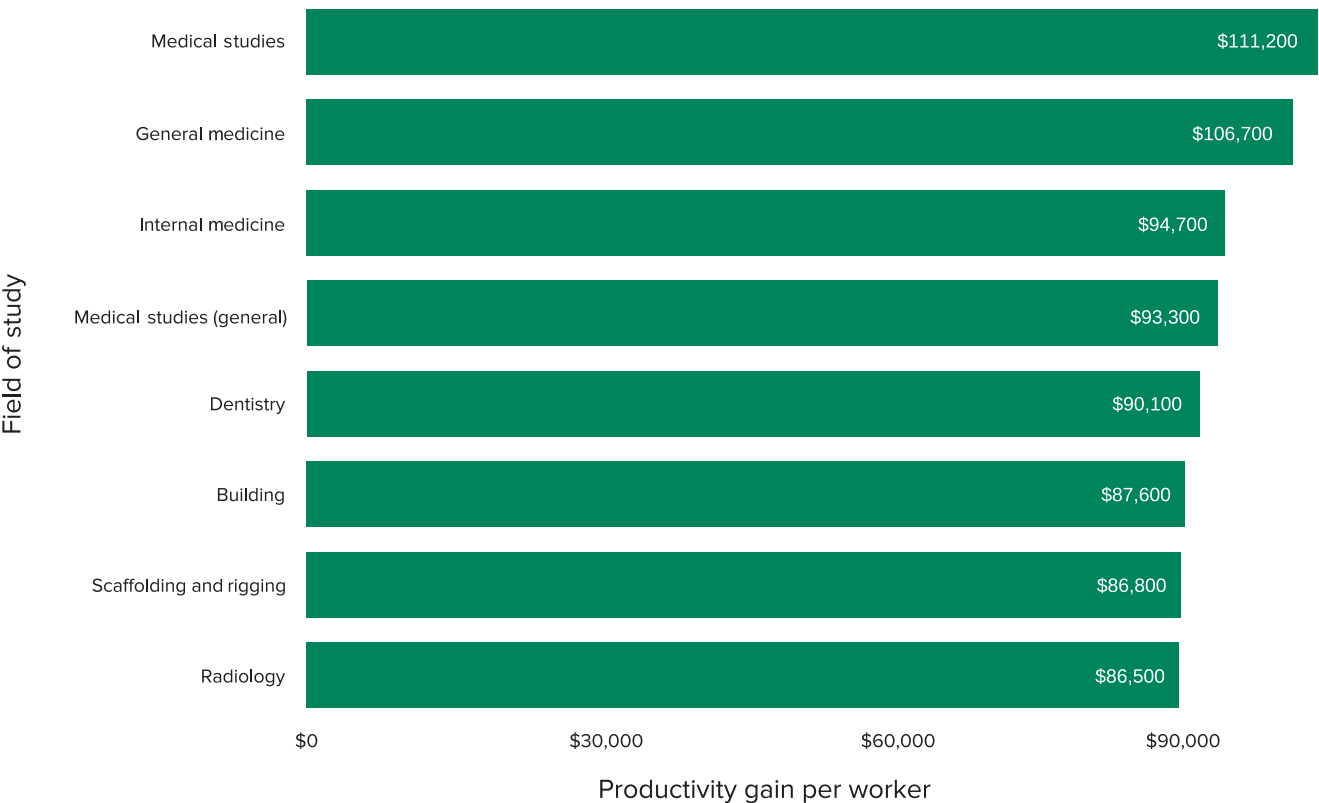
According to RMIT Online and Deloitte Access Economics (2025), around 25% of the workforce in medium and large Australian businesses have green skills, a figure that needs to rise to 36% within five years. This translates to at least one million additional green-skilled workers being needed across both new and existing roles by 2030. The most critical gaps are in engineering, science and technical fields, as well as climate and sustainability-focused soft skills.

Analysis by Precision Economics reveals significant underutilisation of migrants with qualifications in regulated professions that are critical for Australia's green transition. This includes 6,140 civil engineers, 3,780 electrical engineers, 6,860 mechanical engineers and 1,320 electricians, all of whom are currently underutilised but could make a significant contribution to the net zero transition if given the opportunity.

The largest potential per-worker productivity gains are in medicine, dentistry and building engineering (Figure 2). If each migrant with qualifications in medical studies worked in their field, they would generate \$111,200 in additional productivity each year. For underutilised

migrant dentists, working at their skill level would deliver a \$90,100 productivity boost annually. For those with skills and qualifications in building and scaffolding/rigging, working in those regulated professions would achieve productivity gains of \$87,600 and \$86,800 per worker, respectively.

**Figure 2:** Fields with the largest productivity gain per worker



Source: Precision Economics analysis, 2025



Figure 3 shows the industries with the biggest potential to benefit are:

- ▶ **Professional, scientific and technical services** – benefiting from engineers, IT specialists, and other technical professionals.
- ▶ **Preschool and school education** – strengthened by additional qualified teachers.
- ▶ **Healthcare** – boosted by more nurses, doctors, and allied health professionals.

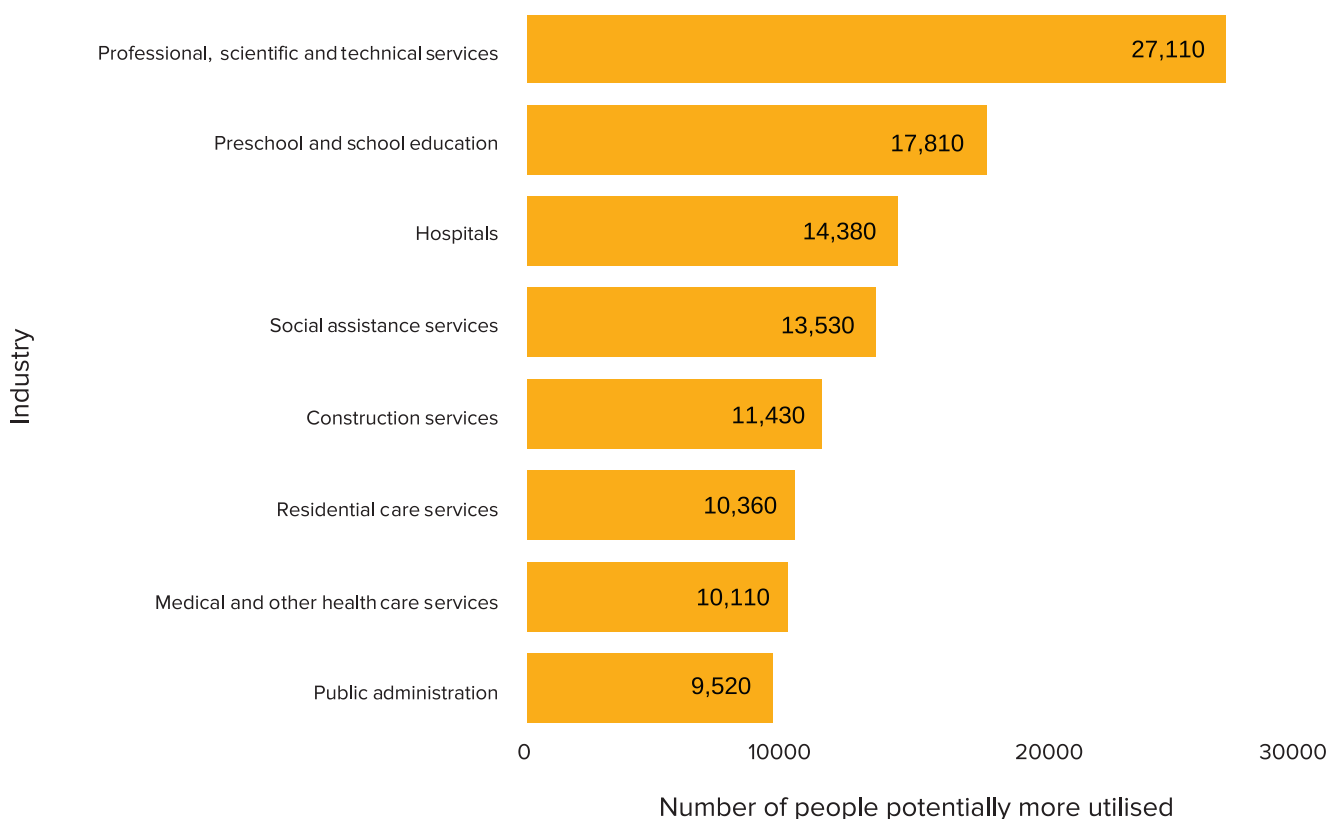
These same industries currently suffer from chronic workforce shortages. For example, engineer shortages are at a decade high, with demand growing three times faster than workforce growth. In mid-2024, over 6,000 engineering job vacancies were listed nationwide. This challenge is expected to worsen as approximately 25,000 engineers retire over the next five years (Engineers Australia 2024).

There are similar challenges in education. The Australian Education Union (2024) found that almost 83 per cent of 953 schools had teacher shortages in 2024. In health, the Jobs and Skills Australia 2024 Occupation Shortages List identifies shortages across 15 allied health and allied professions. This includes audiology, occupational therapy, physiotherapy, psychology, podiatry, speech pathology, pharmacy, optometry, medical radiation therapy, rehabilitation counselling and more.

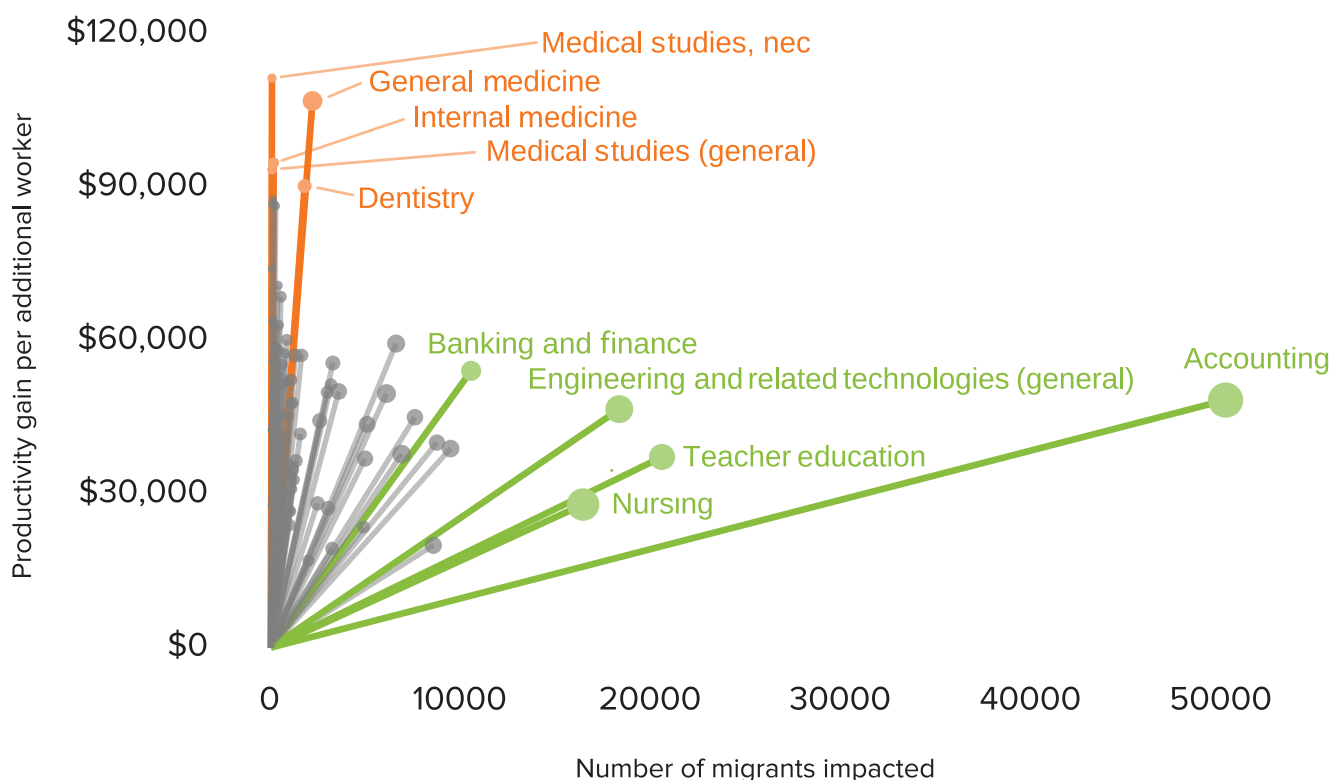
The impact of reforming overseas skills recognition could be transformative and wide-ranging. Looking across the full range of fields of study (Figure 4), there are three broad categories of potential impact:

- ▶ **Big movers** – fields with large numbers of underutilised migrants where reforms could unlock substantial total economic value primarily through scale rather than exceptionally high per-worker productivity gains. These are marked in green in Figure 4, with strong representation from teaching and nursing.
- ▶ **Big contributors** – fields with smaller migrant cohorts but very high productivity gains per worker. These are shown in orange, dominated by technical fields such as medicine, dentistry and some engineering disciplines.
- ▶ **Quiet achievers** – most remaining fields fall here, with moderate migrant numbers and per-worker gains. These are marked in grey.

**Figure 3:** Where migrant skills could have the biggest workforce impact



**Figure 4:** Fields by productivity gain per worker and migrants impacted



**Notes:** Only fields of study with at least 50 additional migrants being better utilised are presented.

Dot size represents the current number of migrants in each field.

**Source:** Precision Economics analysis, 2025

## ➔ Fast-tracking regional productivity: how skills recognition reform could help fill 70,000 vacancies in regional Australia

Qualified trauma physiotherapist Antonio Michell from Chile is one of thousands of skilled migrants who hoped to work in regional Australia in order to contribute. Yet despite having a decade of experience, Antonio faced a lengthy, expensive process to recognise his qualifications and practise physiotherapy in Australia.

"I was cleaning toilets at construction sites and would hear regional Australians suffering from severe pain say how they couldn't get a private physio appointment for months," he said, voicing the frustration he and other skilled migrants experience.

Workforce shortages are particularly severe in regional areas, especially in health, education and housing. As of July 2025, there were 70,000 job vacancies in regional Australia. Streamlining overseas qualification recognition would allow skilled people already living in the regions to fill these crucial roles and strengthen essential services.

As Regional Australia Institute CEO Liz Ritchie said:

“If we reform the costly, bureaucratic and complex skills recognition system, we can get skilled migrants who are living in skills purgatory to fill the 70,000 jobs regional Australia needs to be an economic powerhouse, and the best place to live.”

## Reforming skills recognition would fast-track productivity

Making overseas skills and qualifications recognition faster, fairer and more affordable would enable more people to fully use their skills, thereby unlocking immediate productivity gains. Based on an analysis of reforms that have worked effectively in comparable countries overseas such as Germany and Canada, it is recommended the Australian Government implement four practical solutions to address unnecessary barriers to skills recognition while maintaining existing high standards. These four solutions, described in detail next, are:

- 1 Establish one national governance system** for all overseas skills and qualifications recognition, including an Ombudsman with regulatory power to provide independent oversight and transparency.
- 2 Create an integrated system** that links skills recognition for migration purposes with licensing and accreditation for employment purposes.
- 3 Reduce key barriers** by providing financial support to help individuals overcome cost barriers and creating an online skills recognition portal to reduce confusion.
- 4 Set up employment hubs or career gateways** with skills recognition navigators to personally guide migrants through the skills recognition process.

These four solutions are not isolated – they are part of a holistic proposal to reform Australia's bureaucratic and expensive system for recognising overseas skills and qualifications.

The combined cost of implementing these policies is estimated at \$40.4 million over four years, plus \$2 million per year for each additional hub. Additional tax revenue from increasing the utilisation and productivity of migrant workers would be significantly more than this investment, making the proposal net-positive for the federal budget. Even under a modest scenario where only 10% of underutilised migrants with qualifications relating to licensed professions (around 20,000 migrants) were better utilised, the policy would very likely be revenue neutral. Current tax schedules imply that 20,000 more utilised migrants would result in \$270 million in additional income tax each year (roughly \$13,000 per better-utilised migrant). These estimates relate only to income tax collections and do not include potential savings from reduced transfer payments or other government support services.

Beyond having a positive net impact on the federal budget, the reforms would unlock substantial productivity gains and help ease shortages in sectors critical to Australia's economy.

## Establish national governance and oversight

There is currently no single body responsible for ensuring the overseas skills and qualifications recognition system works as it is intended. No single entity is responsible for ensuring quality, consistency and positive outcomes for Australia's labour market and industries. As a result, the 70-plus authorities and professional licensing bodies involved in skills and qualifications recognition largely set their own fees, timelines and assessment processes. This has led to a lack of consistency and, in some cases, excessive fees and unnecessary barriers driven by limited accountability and oversight.

To address this, it is recommended the Australian Government establish national governance to oversee skills and qualifications recognition and ensure due process, accountability, fairness and consistency. This would include appointing an independent ombudsman with statutory powers and resources to:

- 1 Receive complaints** and review recognition decisions (an independent appeals power).
- 2 Collect, review and report data** on recognition processes, costs, outcomes and systemic risks (including recognition rates, timeliness and fees).
- 3 Hold relevant authorities accountable** for delivering on government-mandated recognition timelines.
- 4 Ensure fairness** in the overall conduct and operations of assessing bodies.

A similar model has worked effectively at the provincial level in Canada. For example, the Office of the Fairness Commissioner in Manitoba works with occupational regulators to ensure registration processes are transparent, objective, impartial and fair. As a result, professional registration rates almost doubled, climbing from 25 per cent in 2012 to 45 per cent in 2020.

To complement the ombudsman's role, a tripartite approach that brings together industry, government and unions is recommended to ensure the system is fit-for-purpose. This could include expanding the mandate of Jobs and Skills Councils to accredit skills assessment organisations (such as Registered Training Organisations) and broadening the mandate of Jobs and Skills Australia to oversee recognition processes in occupations not already covered by existing Jobs and Skills Councils.

## Better link recognition for migration and employment

Currently, skills and qualifications assessments for migration purposes are separate from those required for employment and professional licensing. This disconnect creates confusion, duplication and delays.

Many migrants mistakenly assume that the assessment they complete to obtain a skilled visa also satisfies the requirements to work in their profession once they arrive in Australia, as they are rarely told otherwise until seeking employment in a regulated profession.

A better approach would be to treat the journey from visa to employment as a single, streamlined process with greater coordination between migration assessments, licensing authorities and employers. By aligning these processes, Australia could ensure that skilled migrants transition into their professions quickly and efficiently, allowing the nation to capture the full benefit of their expertise as soon as possible.

While requirements for migration may differ from those for employment, these differences must be communicated clearly and upfront so that recognition pathways are clear for migrants from the outset.

## Reduce cost and information barriers

High fees and the lack of clear information are two significant barriers migrants face when needing to get their overseas skills and qualifications recognised.

Firstly, costs to have overseas-acquired skills and qualifications assessed can be prohibitively high, often running into thousands of dollars. For example, the 2023 Kruk Review found it can cost up to \$51,000 for an overseas-trained general practitioner to complete the recognition process. Previously, the Australian Government provided an Assessment Subsidy for Overseas Trained Professionals (ASDOT), which played a critical role in supporting financially disadvantaged people with skills recognition fees. This scheme was abolished in 2015 and there is currently no national subsidy or loan scheme to help offset costs. It is recommended the government reintroduce financial assistance to ensure disadvantaged individuals are not excluded from working in their profession due to financial barriers.

Secondly, there is no single, authoritative source of information to help migrants determine whether their profession is regulated in Australia and, if so, which body they must register with or seek recognition from. This lack of clarity causes confusion, delays and, in some cases, leaves migrants vulnerable to exploitation. The limited information available is fragmented and only published in English.

It is recommended that the Australian Government establish a national, multilingual online portal – a one-stop shop – providing clear step-by-step guidance on recognition processes, appeals mechanisms and employment services that can assist. The success of Germany's multi-lingual Recognition in Germany portal shows what is possible: within four years of its launch, applications for foreign skills recognition more than doubled by providing clear, centralised information.

## Set up hubs or career gateways with skill recognition navigators

There is currently no national service dedicated to helping overseas-trained workers navigate the system for skills and qualifications recognition or to connect skilled migrants with jobs that match their expertise. Existing employment services are designed to address unemployment, not underemployment or underutilisation (working below a person's skill level), and they lack a focus on overseas skills recognition in regulated professions. This is a critical gap.

It is recommended that the Australian Government establish specialist, place-based employment hubs – or “career gateways” – in areas with high migrant populations to support workers move into jobs aligned with their skills and qualifications.

These hubs would include skills recognition “navigators” to provide personalised guidance through the recognition process alongside wrap-around employment services located in one place. Eligibility would extend beyond the unemployed, ensuring overseas-trained professionals working below their skill level or outside their field can also access support.

A similar model has worked effectively in Germany where advice service centres operate across all 16 states. These centres provide overseas-trained workers with personalised support including counselling on qualifications recognition, guidance on bridging courses, and access to mentoring and coaching.

“Implementing these solutions to reduce unnecessary barriers to skills recognition while maintaining existing high standards would benefit everyone – boosting productivity, improving services, and ensuring more people can work at their full potential.”

# Appendix A: Modelling approach

## Data sources

This analysis draws on data from the Australian Census and the Australian Census and Migrants Integrated Dataset (ACMID).

- ACMID contains records for people who were granted a permanent skilled, family, humanitarian, or other permanent visa and arrived in Australia between 1 January 2000 and Census night.
- For this study, the ACMID dataset was refined to include only those who arrived after 2006.
- Qualification level and field of study were classified using the Australian Standard Classification of Education (ASCED).
- Occupational skill level was classified using the Australian and New Zealand Standard Classification of Occupations (ANZSCO).

## Defining underutilisation

Underutilisation was calculated at the six-digit field-of-study level for both the ACMID and total Census populations.

Consistent with Deloitte Access Economics (2024), a person was classified as underutilised if they were employed in an occupation with a skill level below that typically associated with their qualification level; or they were unemployed but actively seeking work (Figure 5). People not in the labour force were excluded from the underutilisation measure.

## Licensing tiers

To capture the full range of regulatory barriers, occupations in this report are treated as “licensed” (at the field-of-study level) where they fall into one of the following categories:

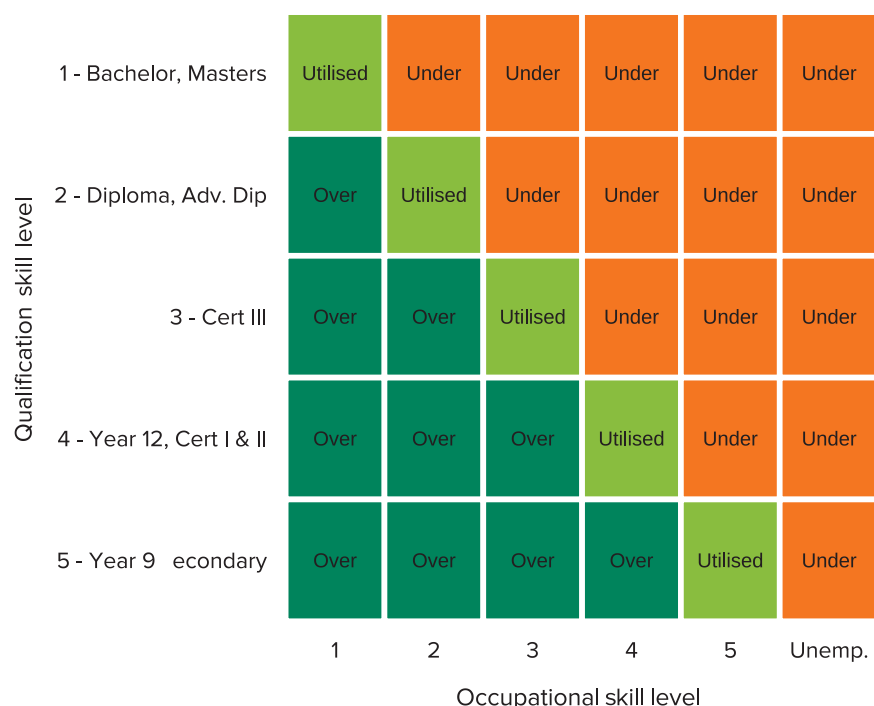
- Nationally licensed: occupations requiring licensing across all states and territories.
- Partially licensed: occupations licensed only in some jurisdictions, for only some specialisations in that field, or where licensing only applies to some roles in a workplace.
- Effectively licensed: occupations not legally licensed but subject to strong industry certification requirements that function as de facto licensing.

Several methods were used to assess the degree of regulatory and other licensing in an occupation:

- Desktop research examining the areas;
- A text analysis of web-scraped descriptions of areas; and,
- Systematic Google searches extracting search results, analysed by several instantiations of GPT-4o.

Final classifications were decided based on human assessment and combination of all sources (checked and confirmed in case of uncertainty with desktop research).

Figure 5: Measurement of underutilisation



For sensitivity testing, Table 2 presents results with licensing-tier filters applied, restricting potential gains to those qualifications and occupations within the categories defined above.

**Table 2:** Sensitivity analysis – licensing tier filters

Scenario	Number of migrants who could benefit	Productivity per migrant
<b>Tier 1:</b> Nationally licensed	99,589	\$42,959
<b>Tier 2:</b> Nationally + partially licensed	136,369	\$41,973
<b>Tier 3:</b> Nationally + partially + effectively licensed	253,415	\$42,581
All occupations	523,248	\$42,832

**Notes:** The count of the number of migrants who potentially benefit from being better utilised was restricted to migrants with defined fields of study/ expertise (such that they could be defined as underutilised vis a vis licensed or controlled occupations).

**Source:** *Precision Economics analysis, 2025*



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