

Skill Development and Regional Mobility: Lessons from the Australia-Pacific Technical College

Michael Clemens, Colum Graham, and Stephen Howes

Abstract

Developing countries invest in training skilled workers and can lose part of their investment if those workers emigrate. One response is for the destination countries to design ways to participate in financing skilled emigrants' training before they migrate—linking skill creation and skill mobility. Such designs can learn from the experience of the Australian-aid-funded Australia-Pacific Technical College (APTC). The APTC is financing and conducting vocational training in five Pacific island developing countries for thousands of workers with the objective of providing them with opportunities to find employment at home and abroad—including in Australia. With thousands of graduates across the region the APTC has attained its goal of skill creation, but has not attained its goal of skill mobility. This paper establishes and explains this finding, and draws lessons for future initiatives that may seek to link skill creation with higher levels of skill mobility.

JEL Codes: F22, J24, O15, R23

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Michael Clemens

Center for Global Development and NYU Financial Access Initiative

Colum Graham

Australian National University

Stephen Howes

Australian National University

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**Center for Global Development
2055 L Street NW
Washington, DC 20036**

202.416.4000
(f) 202.416.4050

www.cgdev.org

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“Please give me a chance to work in Australia.”

—APTC graduate, plumbing; Fiji 2010

1 Introduction

International labour mobility offers the promise of vast gains to migrants and their families. But it comes with a double dose of unpopularity. Low-skill migration is unpopular in migrant destination countries, and high-skill migration is unpopular in migrant origin countries. An appealing way to cut this Gordian knot is a Global Skill Partnership (Clemens 2014a), in which destination countries subsidize skill creation among potential migrants at the origin. Partnerships of this kind mean that destinations can create the skills they need, while building rather than sapping skills at the origin.

In this paper we study one large-scale program designed to link skill creation with skill mobility: the Australia-Pacific Technical College (APTC). The gains to migrants from Pacific Island states to Australia are in the hundreds of percent (McKenzie, Stillman, and Gibson 2010; Gibson and McKenzie 2012), but low-skill immigration is a political battlezone in Australia, and many Pacific Island states fear that skilled migration drains away skilled workers they need. The APTC was an institution born at the 2006 Pacific Islands Forum, with the dual mandate to foster skill creation within the Pacific states of origin and skill mobility within the region. In 2007, with funding from the Australian aid program, four vocational education centres were created in four developing countries of the Pacific. These centres, plus a fifth opened in 2013, train to Australian qualification standards in fields that have included shortage occupations in Australia.

Six years later, the APTC has thousands of graduates. But less than 3% of all graduates have migrated to Australia or New Zealand. This is a very small fraction of the migration rates envisaged at the creation of the college. Here we suggest reasons why the migration rate has been so low. Survey data on APTC graduates show that the principal constraint on migration, by far, is not the demand to migrate but the supply of opportunities to migrate. The supply of opportunities to migrate is constrained by design features of the APTC, including a lack of mechanisms to facilitate skill recognition in Australia and direct connection with employer-sponsors. We also offer evidence of a lack of political commitment to the original labour mobility goals of the APTC, in the governments of both Australia and Pacific island countries.

We wish to stress that this analysis must not be construed as an overall evaluation of the APTC. Clearly the APTC has many achievements to its name, such as the creation of new training infrastructure in the Pacific, the graduation of thousands of trainees, and thousands of scholarships. It may also have conferred benefits outside its original goals. These lie beyond the scope of this study. Our exclusive focus is on one of the college's two original goals—to foster labour mobility—that was not attained. This outcome offers lessons to programs elsewhere seeking to foster labour mobility at higher levels. We cannot and do not reach conclusions about the overall success of the APTC in all its dimensions.

We begin in the next section by placing the APTC in its larger context as an innovative scheme to link skill creation and skilled migration (Section 2). The following section describes the APTC (Section 3). We then describe primary data from the APTC (Section 4) and use them to conduct an analysis of the constraints on migration by APTC graduates (Section 5). We then proceed to a qualitative analysis of the reasons for APTC's failure to promote international mobility, drawing lessons for future programs of this type (Section 6). Section 7 concludes.

2 Policy options when skills are mobile

More and more skilled workers are migrating. In 2000, 24% of immigrants to OECD countries had university education; by 2010, 29% did (OECD 2012). This skilled migration puts policymakers in a bind. In migrant-origin countries, policymakers must find ways to build human capital with scarce public resources, in a world where worker mobility complicates planning. In migrant-destination countries, policymakers must resolve sectoral skill shortages, under political pressure to raise the skill-selectivity of visas while protecting domestic workers from competition. These policymakers are often seen to be working in conflict, as origin countries fight to retain the skilled workers who destination countries fight to attract.

Traditional proposals to reduce this conflict fall into two categories. The first is to limit the ability of skilled workers to choose migration. This can involve preventing destination-country recognition of migrants' skills or obliging skilled migrants to return home after certain periods (e.g. Gish and Godfrey 1979), 'self-sufficiency' policies at destination countries to prevent migrants from working there (e.g. WHO 2011, Article 5.4), and treating international recruiters of skilled workers as unethical or even criminal (e.g. Mills et al. 2008). All such proposals to obstruct migration are complicated by practical and ethical concerns:

these policies have unknown effectiveness in limiting skilled migration, they do not address destination countries' skill shortages, and they might violate skilled migrants' rights under international law.¹

The second traditional policy proposal is to compel skilled migrants or their destination countries to compensate origin-country governments *ex post* for migrants' training costs (e.g. Mills et al. 2011). Such policies also face important difficulties. The financial loss is difficult to calculate given that many skilled workers provide substantial home-country service prior to migration, and send home important sums of money (Clemens 2009, 2014b). Destination countries' priorities for human capital subsidies in origin countries might differ from origin countries' own priorities, making compensation payments politically vulnerable. And aid flows may be fungible (Khilij and Zapelli 1994, Feyzioglu et al. 1998, Pack and Pack 2003), so even aid earmarked for human capital creation may cause only limited human capital creation.

Both approaches leave much to be desired. More recently, some destination country governments and firms have experimented with a different response: providing *ex ante* support for the training of those who intend to migrate. The German and Japanese governments have created pilot programs to provide nursing training and language courses to potential migrants from selected developing countries including Vietnam and Indonesia. The firm Nurses Now International trains nurses in Mexico for service in the United States. The training of migrant seafarers is supported in the Philippines and Kiribati by shipping firms and donor-country aid agencies. Technical training for Yemeni migrants to Qatar is supported in Yemen by the Qatari firm Silatech. Clemens (2014a) describes a number of these programs and calls them Global Skill Partnerships.

In all Global Skill Partnerships, firms or taxpayers abroad subsidize the creation of human capital for those who wish to migrate from developing countries. This coupling of training and migration means that the financing of human capital creation is shifted toward its principal beneficiaries: destination employers, destination taxpayers, and/or migrants themselves at the destination. In such a setting, migration has the potential to become an

¹ Article 13.2 of the Universal Declaration of Human Rights contains the unqualified right to leave any country. While it is often argued that bans on 'active recruitment' do not limit migrants' right to emigrate for work abroad, this is not legally clear. For example, most developed countries' courts would find that if governments were to ban firms from 'actively recruiting' women, this would conflict with women's unconditional right to work. For the same reason, banning 'active recruitment' of a Papua New Guinean nurse by a Sydney hospital, when that nurse's profession is the only lawful basis for migration, might conflict with the nurse's unconditional right to leave Papua New Guinea. This issue is not settled in international law.

engine of human capital creation rather than depletion. Global Skill Partnerships offer advantages relative to restricting workers' movement through recruitment bans and the like; instead, they foster migration while better matching the incidence of costs and benefits. And the *ex ante* training subsidies in Global Skill Partnerships are in principle superior to *ex post* compensation payments, as it is easier to measure the proper payment and target it towards human capital formation.

Australia offers an ideal setting to learn about the potential for Global Skill Partnerships. Australia exhibits widespread and sector-specific shortages of human capital,² while Pacific-region developing countries have pressured for greater access to Australia's labour market. The APTC was an innovative initiative to align these interests.

3 The Australia-Pacific Technical College

The APTC was created in July 2007 to link skill creation and skill mobility in the Pacific region. It was financed by the Australian government through its aid program, managed by the Australian Agency for International Development (AusAID)³ and implemented by Australian technical education providers. Today it has vocational training campuses in Fiji, Papua New Guinea, Vanuatu, Samoa, and—from 2013—the Solomon Islands. Any national of a Pacific Islands Forum (PIF) country may apply. The college awards Australian-recognized credentials: Certificate III and IV and Diploma technical and vocational training. The most common subject areas are Automotive, Construction & Electrical and Manufacturing, Tourism and Hospitality, and Health and Community Services. By December 2013 there were over 5,600 graduates (Swanton and Ong 2013). The Australian aid program has so far disbursed or committed approximately A\$300 million to the college for the entire period 2007–2015.

The APTC arose from pressure on the Australian Government from Pacific island countries to provide more labour mobility opportunities to them. What the Pacific countries requested was a seasonal-worker program, whereby Pacific islanders could come to Australia for a few

² One prominent survey of 2,250 Australian employers made in 2013 suggests that 45 per cent report “difficulty filling jobs due to a lack of available talent” (Manpower 2013, p.5). While this 45 per cent figure is 5 per cent lower than the same survey’s 2012 figure, it places Australia 10 per cent higher than the survey’s reported global average of employees reporting hiring difficulties (*ibid*, p.6). It is also worth highlighting the survey’s observation that “Skilled Trades Workers” are placed first in Australia’s “Top 10 Jobs Employers are Having Difficulty Filling” ranking. Furthermore, the survey reports that 42 per cent of Australian employers reason that a “[l]ack of available applicants” or “no applicants” for why those employers face difficulty filling jobs (*ibid*).

³ In late 2013, AusAID was abolished, and responsibility for the Australian aid program passed to the Department of Foreign Affairs and Trade (DFAT).

months at a time for agricultural and horticultural harvest labour. New Zealand announced its willingness to consider such a scheme in the run-up to the October 2005 Pacific Islands Forum (PIF; Tait 2005), and then announced the Recognized Employer Scheme in 2006 (APH 2008). But “[d]espite years of pressure from Pacific Island governments and Australian primary producers, the Coalition Government under Prime Minister John Howard refused to create a seasonal work scheme” (MacLellan 2008a, p. 2). In 2005, the AusAID *Core Group Recommendations Report* suggested an alternative way to address pressures for labour mobility: a type of Global Skill Partnership. “Use the aid program,” it recommended, “to provide skills training to build more competitive workforces in the Pacific Islands, both for domestic labour markets and to promote labour mobility” (2005, p. 33).

Howard announced precisely such an initiative at the October 2005 Pacific Islands Forum (PIF) meeting in Papua New Guinea, stating that it would “certainly make a contribution in the area of labour mobility” (Banham 2005). He then followed this up with a more detailed announcement—including a funding commitment, and the name Australia-Pacific Technical College—at the 2006 Pacific Islands Forum meeting in Fiji.

The PIF Communiqués make it clear that the APTC was created at least partially in response to pressure for international labour mobility from the leaders of Pacific island nations. In their 2005 Communiqué from Papua New Guinea, PIF country leaders had noted “the need...to consider the issue of labour mobility in the context of member countries’ immigration policies”—a polite call to Australia and New Zealand to ease their restrictions on migration. In the 2006 Communiqué from Fiji, PIF leaders “recalled their decision the previous year to continue to consider the issue of labour mobility in the context of member countries’ immigration policies. They agreed to continue to explore opportunities for developing labour mobility schemes that would benefit Forum Island Countries.” Two such schemes are listed within the “labour mobility” section of the 2006 Communiqué. One is the New Zealand’s seasonal worker program; the other, the APTC.

Prime Minister Howard’s 2006 announcement stated:

“The college will assist economic growth in Pacific island countries by addressing skills shortages and increasing workforce competitiveness, and will also assist mobility of skilled workers between the Pacific and developed countries” (Prime Minister’s Office 2006).

While previous aid programs had fostered skill creation in the Pacific, the innovation of the APTC was to link skill development and international labour mobility. “The underlying rationale of the APTC is to facilitate regional labour mobility through demand-driven, internationally recognized and portable technical and vocational skills development for the formal wage economy” (AUSAID 2010a, p. i), in part because “labour importing countries such as Australia and New Zealand need to share the costs of training the skilled labour imported from the Pacific [...]” (AUSAID 2010a, p. iii). Helping trainees move to Australia or other countries was and is still presented as one of two core *raisons d'être* of the college, alongside skill development for developing island states.⁴

The APTC was designed and is often described as “postgraduate” or “top-up” provider within the Pacific vocational sector. The 2009 mid-term review of the APTC recommended that:

“Its central focus should remain on upgrading and certifying the skills of those currently in the workforce or those with other post-school qualifications and/or industry experience” (Schofield et al. 2009, p xii).

This “postgraduate” role of the APTC is also clear from the entry requirements to its courses.⁵ This is one of many design features of the APTC that may have shaped labour

⁴ “Pacific Island governments have made gaining greater access to the labor markets of Australia and New Zealand an explicit policy goal. The potential of the [Australian] aid program to support labor mobility formed part of the policy considerations in the development of the 2006 White Paper [[“Australian Aid: Promoting Growth and Stability”](#)]. While it was announced some time before the White Paper was released, the response was to establish an Australian owned and operated technical training institution in the Pacific, the Australia-Pacific Technical College (APTC)” (Auditor General 2011, p. 89). “The purpose of the APTC is to (a) provide Pacific Islander women and men with Australian qualifications that present opportunities to be able to find employment in targeted sectors nationally and internationally; and (b) support skills development in the Pacific in response to labour market requirements” (AUSAID 2010b, p. 2). The APTC today expresses its objectives in terms of three goals:

“Training: Increased supply of skilled workers in targeted sectors in the Pacific region.
Employment: Pacific Islander women and men with Australian qualifications realise improved employment opportunities nationally, regionally and internationally in targeted sectors.
Productivity: Increased productivity of individuals and organisations in targeted industries and sectors.”
(APTC 2014)

⁵ For example, the entry requirements for the Cert. III in Automotive Mechanical indicate:

“Training programs in Automotive are focused on existing workers currently employed in industry and/or with local qualification. These programs offered through the APTC are designed to recognise skills already held and enhance the skills of Pacific Islanders to international standards. This program will also be offered to New Industry Entrants and will focus on graduates of local Technical Vocational Education & Training (TVET) programs but with no or limited work experience” (APTC undated).

mobility outcomes for its graduates. After describing the data, we undertake a exploration of the relationship between APTC design and mobility outcomes.

4 Data

Our principal data source is internal records kindly provided by the APTC. These include two confidential, individual-level datasets. The first is a set of basic demographic data on the full universe of APTC graduates from 2007 through and including February 2013 ($N = 4,474$). The second is a Graduate Tracer Survey completed by graduates about 6–12 months after finishing the program, conducted between 2009 and 2012 ($N = 1,067$). Completed surveys were collected from approximately 39% of the full universe of graduates (APTC 2012a, p. 5), and response was determined by student willingness to answer requests received by email, by paper mail, and in person.⁶

We complement these data with qualitative interviews conducted throughout 2013 in Canberra and Washington, DC; various official documents; and skill recognition processing costs posted online by the relevant agencies. These last are described in the Appendix.

5 Results: high demand to migrate, low supply of migration opportunities

We begin the analysis of these data by documenting extremely low rates of international migration by APTC graduates. We then present evidence that it is overwhelmingly a low supply of migration opportunities, not a low demand for opportunities among graduates, that results in low migration rates. We find that the cost and difficulty of formal skill/experience recognition in Australia places one of the tightest limits on the supply of migration opportunities.

Other programs have entry requirements with similar wording.

⁶ The APTC also conducted a survey of employers of APTC graduates about 6–12 months after the employed graduate had completed the program ($N = 373$). Completed surveys were collected from about 28% of the sampling universe (APTC 2012b, p. 4) and response was determined by employers' willingness to participate.

5.1 Low prevalence of migration

Extremely few APTC graduates have migrated. Table 1 gives a snapshot of the cumulative total APTC graduates residing outside their country of citizenship in 2011, 2012, and 2013. Just 1.2% of all graduates are now residing in either Australia or New Zealand. A few more have migrated from one Pacific island to another, so that 1.5% of all graduates have left their country of citizenship. New graduates appear to migrate at very low rates. Between July 2012 and March 2013, the APTC recorded 988 new graduations but only 4 newly migrating graduates (all to Australia)—that is, 0.4% of new graduates.

Years after graduation, slightly more graduates appear to migrate. Swanton and Ong (2013) surveyed 904 of the 4,804 people who had graduated from the APTC an average of four years earlier—between 2007 and 2011. They find that 3.3% had moved to a different country by October/November 2013. This includes all countries, and no separate statistic for movement to Australia and New Zealand is available. If the same fraction of international movers in this survey went to Australia/New Zealand as in the Tracer Surveys reported in Table 1, it would imply that 2.6% of the 2007–2011 graduates had moved to Australia/New Zealand by 2013.

5.2 High demand for migration

Existing data do not allow a statistically rigorous measurement of the desire for international migration among APTC graduates. The Graduate Tracer Survey does not include a question about desire for migration, and, though the Swanton and Ong survey asks about migration intent, it does not distinguish between domestic and international migration.

We can, however, use the existing data to place a reasonable lower bound on APTC graduates' demand for international migration. Table 2 shows that 58 of the 1,067 respondents in the Graduate Tracer Survey express a desire for international migration in their open-ended responses to questions unrelated to migration. Migration to Australia and New Zealand is the nearly-exclusive focus of these comments; none mentions a specific destination country without mentioning Australia and/or New Zealand. Table 2 only includes comments where the interest in migration is unequivocal (such as “Please give me a chance to work in Australia”; “I would really like to work overseas due to better working conditions”; “APTC to assist in placement to work in Australia”). The fraction of respondents mentioning a desire for migration (5.4%) is 4.5 times the fraction of graduates who do migrate to Australia or New Zealand (1.2%).

It is nearly certain that the true desire for migration is much higher than 5.4%, as this is the fraction that mentions migration without any prompt from the survey. The respondents were not asked about migration; all of these comments were given spontaneously in response to unrelated questions—such as questions about whether respondents would take another APTC course, or whether they had any “other comments” to offer. Some comments note the high demand for migration by those around them (“Mostly local people now migrate overseas so it’s a must to complete some courses with APTC to help them out while moving to New Zealand or Australia”).

How much higher is the true demand for migration? The data reported by Swanton and Ong (2013) allow an estimate. They ask APTC graduates who had completed studies 2–6 years before the survey to evaluate the statement, “In the future, I intend to move country or region for work.” Respondents were told that “region” meant “a different part of the same country”; thus this question regards intent to move either domestically or internationally. 86.1% of these graduates answered “agree” or “strongly agree”.

What portion of these were expressing an intent to move to another *country*? Of those who had already moved to another *country or region* (6.2% of respondents), roughly half had moved to another *country* (3.3%) and roughly half to another *region* of their own country (2.9%). Suppose, then, that migration intent among non-migrants mirrors migration behaviour by prior migrants. If this were the case, roughly half of those expressing intent to move to another country or region intend to move to another country: that is, 43% of the 2007–2011 graduates surveyed in 2013.

This estimate would be conservatively low if the barriers to realization of migration intent for international migrants are higher than the barriers to realization of intent for domestic migrants—of which there is little doubt. It is furthermore a conservatively low indication of the desire to migrate, if desire exceeds intent. This is quite likely. No one without desire to migrate would report an intent to migrate, but some of those with desire to migrate might not report intent to migrate. For example, they may face or believe themselves to face insurmountable barriers in realizing their desire, preventing them from planning to do so.

The exact proportion of graduates wishing to migrate cannot be known without a purpose-built survey of APTC graduates. Such data would have been useful to collect, given the important role of labor mobility in the original goals of the project. But there are grounds based on external data to support the argument above that migration demand must be much

higher than 5%. Across most countries on earth, 14% of adults say that they would like to leave their homelands permanently, if they had the opportunity, to live in another country (Esipova et al. 2011). This tends to be substantially higher in poorer countries. And small Island states, especially in the Pacific region, tend to have even higher emigration rates (World Bank 2007, p. 190). Opportunities to migrate to New Zealand under the Pacific Access Category visa lottery (from Kiribati, Tonga, and Tuvalu) are oversubscribed by about 900% (McKenzie et al. 2010). The Samoan Quota Scheme, a separate lottery for opportunities to migrate from Samoa to New Zealand, is oversubscribed by 1,600% (Gibson, McKenzie, and Stillman 2013). None of these statistics apply automatically to APTC graduates. But they do suggest that it would not be unreasonable to believe that the number of APTC graduates desiring international migration exceeds by an order of magnitude the number that have been able to migrate.

This analysis makes clear that the principal limitation on international migration among APTC graduates is not their demand to migrate. We turn now to factors that limit the supply of migration opportunities.

5.3 Supply of migration opportunities

Australia is the largest labour market neighbouring the Pacific island region. The principal employment-based visas available to APTC graduates desiring to come to Australia are (i) unsponsored permanent skilled migration visas, and (ii) temporary, employer-sponsored visas. This subsection assesses the possibility for APTC graduates to access these visas.⁷

Unsponsored permanent migration

APTC graduates have had limited and diminishing opportunities to migrate to Australia by the unsponsored, points-based General Skilled Migration (GSM) or “Skilled-Independent” visa track. In this track, migrants may apply for a settler visa without sponsorship by any firms or family members in Australia, provided that they reach a certain threshold of points. Points are assigned for characteristics like age and English language ability. GSM applicants must undergo skills assessment in their nominated occupation (DIAC 2011).

⁷ APTC graduates could in principle enter Australia on permanent employer-sponsored skilled settler visas. But it is costly and burdensome for Australian employers to sponsor permanent employment-based visas and they are extremely unlikely to be willing to do this for a graduate with whom they do not already have a relationship. Forming that relationship would require, in almost all cases, that the APTC graduate had found some other way to enter Australia and work there.

For APTC graduates, the critical limiting factor appears to have been the difficulty for graduates to obtain Australian recognition of skills and experience (as opposed to the APTC diploma) acquired abroad. We evaluate the potential for unsponsored settler migration of APTC graduates in Table 3. This figure uses two versions of the points system. The left side of the table uses the points system in place from the birth of the APTC in 2007 until 2009. In early 2010, there was a major revision of the points system based on a comprehensive review by Birrell, Hawthorne, and Richardson (2006). Therefore the right side of the figure uses the points system in place from 2010 to present.

The first conclusion of this analysis is that, without recognition of overseas work experience in their profession, APTC graduates cannot approach the points threshold. The upper half of Table 3 counts the points that APTC graduates of different ages could attain without recognition of overseas skills and experience. Different columns show points for different ages, and the second row of the table shows the percentage of all APTC enrollees who fall into each age range. While points are available for numerous traits other than those listed here (such as certification as a professional interpreter of a “community language” like Fijian), those are irrelevant for nearly all APTC graduates. The “subtotal” row is far below the points threshold, both before and after the 2009 revision of the points system.

The second conclusion is that if an APTC graduate had three years of work experience and had no difficulties in getting that experience recognized in Australia, he or she would have stood a chance of meeting the points threshold before the points system revision—but only about a third of graduates could do so after the revision. The lower rows of Table 3 show that before the 2009 revision of the points system, most graduates with three years of recognized overseas experience could have met the threshold. Only students over 40 (about 32%) would have required something besides three years of recognized experience—such as additional years of experience or nomination by an Australian state—in order to qualify.

This became much more difficult after the 2009 revisions to the points system, but still many APTC graduates with a great deal of experience could qualify if they had no difficulty in getting Australian recognition of their experience. Graduates age 25–32 (about 35%) with 8 years of recognized work experience could meet the points threshold based on this experience alone. For older graduates (33–44, about 40%) it would be difficult but they could meet the points threshold with either nomination by an Australian state or one year of work experience in Australia. Graduates of other ages cannot meet the threshold.

In sum, if their skills and experience were recognized in Australia, about two thirds of APTC graduates could have met the points threshold before the 2009 revision (most graduates age 18–39 would have had more than three years of work experience, and many of them eight years). After the revision, if their skills and experience were recognized, somewhat less than one third of the graduates could meet the threshold (the subset of those age 25–32 who also had eight years of experience).⁸

Sponsored temporary migration

Employer-sponsored temporary migration streams would likewise require a mechanism for Australian recognition of skills and experience. The principal employer-sponsored visa that could be available to APTC graduates is the ‘457’ visa for temporary skilled work. A 457 visa allows foreign skilled workers to enter Australia for up to four years to work for a business that has been unable to fill the position with an Australian citizen or permanent resident. Most trades workers applying for a 457 visa—like Skilled Independent migrants claiming points for work experience—must pass a skills assessment administered by a Registered Training Organization (RTO) acting for Trades Recognition Australia (TRA).

Skill recognition

The analysis up to this point demonstrates the critical importance of skill recognition. APTC graduates receive an Australian-recognized qualification (certificate or diploma). This facilitates the process of skill recognition, but does not replace it. For many of the most common fields of study at the APTC—including carpentry and cooking—each applicant, whether or not their qualification is Australian-recognized, must pass an in-person skills assessment by an RTO before they can obtain either a temporary or permanent employment-based visa.⁹ This section explores how difficult that is for typical APTC graduates.

We focus on one aspect of difficulties in skill recognition: the cost. We lack the information to assess other difficulties of skill recognition for APTC graduates, such as the burden of correctly navigating the necessary bureaucratic steps, and actually passing the skills assessment—which is not guaranteed. We estimate the cost of passing a skills assessment

⁸ More could have met the threshold if they had a year of work experience inside Australia or were individually nominated by an Australian state government, but very few APTC graduates meet those criteria.

⁹ Australian Dept. of Industry, “[Pathway 2: Applicants who hold a relevant Australian qualification](#)”, accessed Aug. 10, 2013.

and acquiring a work visa for graduates in three of the fields most commonly studied at the APTC: carpentry, cooking, and hospitality. For carpentry we estimate costs to graduates from Fiji and Papua New Guinea (PNG); for cooking we estimate costs to graduates from Fiji (cooking courses are not offered in PNG); and for hospitality we estimate costs to graduates from all campus countries.

Table 4 summarizes the estimated costs of skill recognition for the APTC graduates, using sources listed in the Appendix. The first row shows the fee charged directly by the RTO, ranging from A\$600–800. The second row shows minimum travel expenses to Australia for the in-person skills assessment, A\$858–1,054. (Hospitality workers can have their skills assessed by mail and thus need not travel.) The third row shows the technical interview charged directly by the RTO. The fourth row gives the cost of the least expensive visa available to enter Australia for the skills assessment. The subtotal row shows that the total cost of skills assessment is already very large relative to average incomes in the campus countries, shown for reference at the bottom of the table. There is no refund of these costs if the applicant fails the assessment.

The following rows of Table 4 show visa costs. If the applicant passes the skill assessment, he or she may then apply for a work visa. Applying for 457 temporary skilled work visa costs at least A\$1,035; applying for a Skilled Independent visa costs at least A\$3,520. There is no refund of these costs if the visa application is rejected for any reason.¹⁰.

The total cost of *attempting* to obtain skill recognition and Australian work visa, reaches several thousand Australian dollars in any scenario—shown in the ‘total’ row of Table 4. These amounts are likely out of reach for most APTC graduates since they rival or exceed the annual incomes of average workers in the campus countries (see the bottom of Table 4). These costs of skill recognition and work visas also greatly exceed the cost of APTC tuition (the last row of Table 4), tuition that few APTC students can afford.¹¹ Furthermore, even the few graduates who could afford such sums would have little information on the probability of failing the skills assessment or having their visa application rejected—events that would cause the irrevocable loss of their expenses without the acquisition of Australian earning power. That risk may powerfully deter even wealthier graduates.

¹⁰ Australian Dept. of Immigration, “[Visa Application Charges](#)”, accessed Feb. 9, 2014.

¹¹ 88.6% of Stage II APTC enrollees are on means-tested scholarships, and do not pay fees (APTC 2013a, p. 10).

Under current arrangements, Australian skill recognition is simply inaccessible to the vast majority of APTC graduates. Substantial degrees of work-related movement would require a mechanism for financing the very high costs of skill recognition and work visas—financed either by a migration-contingent loan to graduates, by employers, or by taxpayers. It would also require a program to help graduates navigate the complex and risky process of recognition, and for skilled temporary work visa applicants, it would require a way for potential migrants to become known and trusted by Australian employers. These are not currently components of the APTC.

The extreme difficulty of skill recognition, by itself, suggests that, without assistance, there are almost no employment-based opportunities for APTC graduates to migrate to Australia—permanently or temporarily. Essentially no APTC graduate could attain the points required for a Skilled-Independent visa without recognition of skills and experience, as shown in Table 3. Likewise, no APTC graduate could acquire a skilled temporary work visa without successfully passing the skills assessment. Beyond this, there are many other barriers to getting one of these visas. For the Skilled Independent visa, age alone would disqualify about two thirds of APTC graduates—unless those graduates have a year of work experience inside Australia or are individually nominated by a state government. For the employer-sponsored 457 Skilled Temporary visa, a critical barrier is that few Australian employers seem to have links of any kind to APTC graduates, links without which they are highly unlikely to endure the bureaucratic process and expense of sponsoring a visa.

Available data suggests that increasing the number of APTC graduates with employer links and skill recognition is possible. From July 2010 to June 2013 the Offshore Skills Assessment Program for the 457 sponsored visa processed approximately 130 applications by Fijians and approximately 220 applications from Papua New Guineans. From these applications, approximately 110 Fijians and approximately 210 Papua New Guineans were successful.¹² We do not know how many were APTC graduates but, from Table 1, and assuming that all those APTC graduates who obtained skill recognition migrated, it could be no more than about 33, or one tenth.

In theory, APTC graduates could travel to countries other than Australia, such as New Zealand. In practice, the same barriers that prevent migration to Australia are likely to prevent entry to third countries.

¹² Email communication with Department of Industry official on 27 Nov. 2013. Figures are rounded to the closest decile.

6 Qualitative analysis and lessons for Global Skill Partnerships

The preceding section shows that very few APTC graduates have moved to Australia or New Zealand. This does not arise from limits on graduates' demand to move, but from limits on the supply of opportunities for them to move.

This raises two questions. First, why did the design of the APTC omit additional measures to alleviate tight constraints on the supply of opportunities for movement? And second, why nothing was done in subsequent years to modify the design to improve international mobility outcomes? Why, in other words, did alarm bells not go off? Why were no efforts made to encourage employers to seek potential employees in the Pacific, or to review visa costs, or visa arrangements more broadly? We cannot fully answer these questions, but we can provide informative evidence.

We can discard one hypothetical explanation at the outset. It is hypothetically possible that, as the project evolved, its economic benefits could have been clearly shown to depend principally on its skill creation goal, not on its skill mobility goal. If this had occurred, it would provide an economic rationale for focusing project design effort on skill creation at the expense of fostering skill mobility.

But we do not find that there was such a determination. The only cost-benefit analysis of the APTC we are aware of (AUSAID 2010a, p. 18–19) found that both skill creation and skill mobility were important to the Economic Rate of Return (ERR) of the project. The analysis finds that

“the ERR is sensitive to the proportion of APTC graduates who obtain work overseas ... For example, if 25 percent of graduates find work in the Australian construction industry soon after graduation, stay for ten years and remit 40 percent of their net earnings while abroad, this would generate a direct economic rate of return on the investment in the APTC of just under 12 percent. The limited information available suggests APTC graduates are keen to access overseas employment, and if 50 percent of graduates were to obtain employment in Australia the ERR jumps to almost 20 percent.

In contrast, if APTC graduates obtain work only in their home countries, the ERR in most cases does not exceed 8 percent. This is a result of both the lower salaries paid, but also the lower differential between salaries at different skill levels in the Pacific. The lower ERR for employment

only in home countries highlights the importance of the APTC rationale to provide training which facilitates labour mobility as a means of enhancing employment and income opportunities. It also reinforces the importance of the APTC training profile retaining a tight focus on industry demand domestically and regionally. ...

"[T]arget rates of return on development projects, with the same degree of risk, are typically set by aid donors at between 12 and 15 percent. That range should be expected on the PNG component of the APTC investment, but perhaps something more modest, say, around 10 percent would be acceptable for the broader Pacific region."

The analysis notes possible sources of bias upwards and downwards. As it says, the ERR would be biased upwards if workers did not use the same skill. The fact that some 61% of APTC graduates return to the same job suggests that this is indeed a risk (APTC 2012a, p.8). On the other hand, the estimate would be biased downwards if APTC has systemic effects in improving the quality of vocational education more broadly, perhaps by improving the quality of instructors or simply by a demonstration impact. The 2010 analysis is not and does not claim to be a final and definitive statement on the project's economic returns, but it is instructive.

Beyond the APTC context, economists have reached similar conclusions about the importance of achieving international mobility for the viability of formal Technical and Vocational Education and Training (TVET) institutions in the Pacific. Farchy (2011) analyses the economic returns to strictly domestic formal TVET in the Pacific Island Countries (PICs) in general, and finds,

"While an emphasis on formal TVET may make sense for some Pacific countries, others may find informal on-the-job training for local markets to be more appropriate. In PICs such as Tonga, Fiji, Palau, Samoa, and the Cook Islands that have greater access to international labor markets, formal TVET institutions that can provide clear signals of ability through internationally recognized qualifications may be attractive. For land-rich, low-income countries with larger populations such as PNG, the Solomon Islands, and Vanuatu, informal on-the-job training for local markets is likely to remain the top priority. ... International experience suggests that uneven quality, high costs, and inflexibility to labor market demands can often undermine the efficacy of formal TVET. Furthermore, given the size of some Pacific economies and the limited opportunities for migration to those countries where TVET skills are needed, the creation of large formal

TVET institutions runs the risk of creating excess supply of any particular skill in which a course is run.”

Two conclusions follow. First, it is unlikely that the reason that more was not done to improve APTC international mobility outcomes is an economic one. There is no sign that the skill mobility component of the project has been found irrelevant to its economic viability. Second, while a full evaluation of APTC is well beyond the scope this paper, it is an important lesson for future Global Skill Partnerships that economic viability *may* require both skill creation and skill mobility components. There are—according to Australian Government and independent analysis—serious questions about the economic viability of the APTC given its failure to achieve its international mobility goal. Further analysis, not yet undertaken, might nevertheless reveal APTC to be a project with high economic returns. But its inability to deliver international mobility has clearly and substantially reduced its economic benefits.

6.1 Why was not more done to achieve APTC’s labour mobility objectives?

If the reasons were not economic ones, what were they? Certainly aid spending worldwide responds to numerous non-economic goals, including humanitarian goals, domestic political goals (Nunn and Qian 2010), and geopolitical goals (Kuziemko and Werker 2006). Here we suggest that political processes at the migration destination (Australia) and at the origin (various Pacific island countries) were important determinants of the outcome. We begin with the destination and proceed to the origin.

Politics at the destination

We observe very limited political commitment, in Australia, to the skill mobility goal of the APTC. This is evident in six ways.

First, government statements on the APTC extensively discuss the attainment of its skill creation goal, but are nearly silent about the non-attainment of its skill mobility goal. The project’s mid-term review found that it “was performing well against its goals and key results areas” (AusAID 2010a, p. 3). Neither the 2009 mid-term review nor the 2010 Phase II design notes the very low rates of migration, discusses their implications, or contrasts them with the migration rates analysed in the Cost-Benefit Analysis contained in the same Phase II design document. The latest APTC (2013b) annual report contains 29,200 words, but

devotes only 66 words to mentioning migration rates, and simply reports the numbers of migrants without comment or interpretation. Successive Annual Portfolio Performance Reviews refer to APTC in highly positive terms and classify it as a “green-light” project, that is, one which does not face any major problems (AusAID 2012; DFAT 2013). We could only identify one Australian government document (Auditor General 2011, p. 90) that discusses the extremely low migration by APTC graduates as a concern, and that only in a single paragraph written by an auditor outside AusAID.

Second, AusAID’s (2011) *Pacific Education and Skills Development Agenda* states, “Australia has four objectives for its engagement in the development of education and skills in the Pacific”. None of these four objectives include a mention of labour mobility, a core goal of the APTC when it began operations four years prior.

Third, we learned from founding officials of the APTC that one early plan for its curriculum centered on nursing. This would be a natural fit, given Australia’s projected shortage of around 100,000 nurses by the year 2025 (HWA 2012). The Pacific Islands Forum secretariat, where the APTC was first proposed in 2005, commissioned a feasibility study for a regional nurse training facility (Duncan 2005) and additional, internal analysis of this possibility was conducted at AusAID. The possibility to include nursing in the curriculum was scrapped, however, in part due to political pressure from the state and territory Nursing and Midwifery Boards. This points to the sensitivity of the international mobility objective that the APTC was meant to achieve, and the early abandonment of nursing may signal broader political difficulties faced by the Australian government in committing to the labor mobility goals of the APTC.

Fourth, many in Australia’s political leadership class are not convinced that migration is good for the Pacific. A Senate Enquiry into the Pacific in 2010 “recognize[d] the problem of brain drain in the Pacific” and through its Recommendation 10 asked AusAID to study its scholarships and APTC to ensure it was not contributing to the brain drain (APH 2011, pp. 6–7).

Fifth, an extensive search has not found a single public statement by an Australian politician or bureaucrat since the Howard 2006 announcement relating to the APTC’s international mobility objective.

Sixth, an extensive search also reveals no action to investigate the reasons for or to take remedial measures to counter the non-achievement of APTC's labour mobility goal, either in response to the Auditor's comment or for any other reason.

Overall, there is compelling evidence that APTC's international mobility goal lacked political salience. The above facts have no other plausible explanation. The lack of salience is best encapsulated by the Government's response to the Senate Enquiry mentioned above. This response stated that "anecdotal evidence" suggests that migration among APTC graduates "is low" (*ibid*, p.7). This is the only official public acknowledgment of APTC's failure to achieve its international mobility objective. The fact that this statement was made in *defence* of the project shows an absence of political commitment to the APTC's founding goals of fostering migration, even three years after it began operations.

The only evidence to the contrary is the continued existence of the APTC's stated objective of promoting international mobility. Graduates' limited migration in the College's first few years "prompted AusAID in the second phase of the initiative to decouple the APTC course profile from Australian visa requirements" (Auditor General 2011, p. 90). But this decoupling simply meant that training subjects *need not* be strictly linked to Australia's shortage occupations, and there remains substantial overlap between APTC subjects and Australia's shortages. The 2010 phase II design document states that an "underlying rationale" of the APTC is to "facilitate regional labour mobility". It was furthermore the Phase II design that included the high rates of migration envisioned in the aforementioned analysis of economic costs and benefits. Even today, the website the APTC states that it has two purposes. The first of these is to "provide Pacific Islander women and men with Australian qualifications that present opportunities to be able to find employment in targeted sectors nationally and internationally". The second is to "support skills development in the Pacific." Why the international mobility objective has been retained is a residual puzzle, but reading of APTC material leads to the conclusion that the achievement of the labour mobility objective is now defined, not in terms of actual migration, but in the award of Australian-recognized certificates, whether or not these provide international employment opportunities.

Politics at the origin—and connections to project design

Beyond these domestic political forces within Australia, we also observe a lack of political pressure from origin countries arising from the APTC's inability to achieve its international

mobility goal. Recall that the APTC was announced because of pressure from PICS for greater international mobility. When it became clear that the APTC was not delivering on this goal, why was there no subsequent outcry? We offer two explanations.

The first is the advent of Australia's Seasonal Worker Program (SWP). When the Labour Government was elected in 2007, it decided to create the SWP that the Coalition Government had opposed (Hay and Howes 2012). The APTC, as we discuss in Section 3, was created in part as a way to assuage PICs' requests for greater labour market access *without* creating the SWP. The SWP may, then, have reduced PICs' will to pressure the Australian government for attainment of the labour mobility goals of the APTC.¹³

The second is that, unlike the SWP, the APTC arose without Pacific demand, as a unilateral Australian initiative. Pacific governments seem to have embraced APTC's skill training, but never its international mobility. Developing country governments in general seem keener on unskilled migration than skilled, and the Pacific is no different in this regard. There are often shortages of skilled and semi-skilled workers in the Pacific, and "brain drain" is a concern for business. In its submission to a 2010 Australian Senate Enquiry, the Australia Pacific Islands Business Council noted that the flight of what it called "intellectual capital"

"... is a significant impediment to the long term economic, political and social development of these economies. Australia is a willing partner in this flight, and it is our view that steps need to be taken to staunch the flow" (extracted in APH 2003, p.12).

From the time of the establishment of APTC, there were concerns that it would contribute to the depletion of skill stocks in the Pacific. The 2009 mid-term review noted that

"... there is a perception, even amongst those who are highly supportive of it, that the APTC was conceived as ... a strategy to prepare Pacific Islanders for migration to Australia, thus denuding the region of its skilled workers" (Schofield et al. 2009, p. 3).

It is also possible that the aforementioned focus of APTC intake on students who are already skilled may have further reduced Pacific government interest in the APTC's international mobility objective. In brief, the APTC's design decision to prioritize "top-up" training for the already-skilled, rather than focusing on unskilled school-leavers, may have

¹³ It is also plausible that the introduction of the SWP also reduced the political salience of the APTC's international labor mobility objective in Australia.

reinforced origin-country concern that high rates of migration among graduates would deplete their skill stocks.

The focus of the APTC on “topping up” intake meant that APTC would play the role of taking the skilled and making them more skilled. AusAID noted the risk that, because of the APTC, “Australia runs the risk of within 5–10 years leaving national skills pools in PICs worse off than when the APTC started” (Schofield et al. 2009, p xii).¹⁴

Why was the APTC designed to focus on “topping up” training? There seem to have been two reasons. The first was cost. Given its international mobility goals, the APTC had to offer courses at the Certificate III and IV levels, the minimum requirements under Australia’s skilled migration program. But to take students with no experience or training to the Certificate III or IV level would obviously be a lot more expensive than taking students with past experience and training. The second reason was to avoid competition. APTC was designed to be a separate institution, run by Australian training organizations. But the decision was made that it should not compete with existing providers. This would have been viewed as unfair. As the Australian National Audit Office put it: “The APTC endeavours to avoid competing with local providers by assuming a niche role at the upper end of the training market not covered by local suppliers” (Auditor General 2011, p.91).

Thus, ironically, it was in part APTC’s international mobility objective that led to the postgraduate approach of the APTC—which in turn may have undermined origin-country support for migration by APTC graduates, by intensifying concerns about skill depletion.

It should be noted that AusAID responded to these concerns about skill depletion. It included a focus within APTC on the “training of trainers” (Schofield et al. 2009, p.1), and it used other Australian aid programs to strengthen local training institutions. However, these responses appear to have been inadequate to win origin country support for the international mobility goal of the APTC.

¹⁴ Note that all the existing technical training providers in the Pacific are government-run and heavily subsidized. As a result, technical training in the Pacific is supply-constrained. Hence, if there was an increased demand for places (due to increased international mobility), the system would not have been able to respond unless there was additional government or donor funding. Reforms to allow user-fees or private-sector entry would be possible, and would allow the supply to expand in response to increased demand, but would eventuate at best slowly. Hence the concerns about international mobility leading to skill depletion were valid at least in the short term.

6.2 Lessons for future Global Skill Partnerships

The APTC appears to have met its initial goals for the creation of skills and of training infrastructure in Pacific Island Countries, but has not met its initial goal to foster international labour mobility. Though design features of the APTC were a substantial cause of low international mobility by graduates, remedial action has not been taken. The experience of the APTC offers several lessons for future programs that seek to link skill creation with skill mobility.

- *Political commitment.* Funding skill acquisition with the objective of promoting skilled labour mobility is a new public policy objective for donors, and a potentially controversial one. Opposition or at least reservations can be expected from receiving country trade unions and from sending country employer groups and governments. Overcoming this opposition and achieving the goal of skilled labour mobility requires political commitment from both the sending and the recipient countries. This in turn likely requires widespread and ongoing consultations. Destination- and origin-country business councils and labour organizations must be directly involved from the first day.
- *Measures to expand skilled labour supply.* Both to maximize economic welfare and to build political support in sending countries, any program that seeks to link skill creation with skill mobility must ensure that the outcome is not one of skill depletion. At least in cases where there are shortages of skilled and semi-skilled labour, providing additional training to the already-skilled may not be effective. The design of the project must allow a supply-side response to the greater incentives for skill acquisition which international mobility provides—such as by targeting not experienced workers but school leavers.
- *Mechanism for skill/experience recognition.* Though APTC certificates and diplomas are recognized in Australia, APTC graduates face very large barriers in getting their skills and work experience recognized as the basis for employment-based visas to Australia. A mechanism for such recognition could have been designed into the program. It would require a financing mechanism: either public funds, employer funds, or a loan to graduates would be required, as skills assessment costs are astronomical by the standards of migrant-origin countries. The APTC has partly

recognized this barrier,¹⁵ but there is not currently a mechanism to address it. One efficient mechanism would be to conduct Australian skill assessments inside the campus countries; Australian RTO representatives could, for example, travel annually to campus countries for this purpose.

- *Employer linkages.* A program to link skill creation with skill mobility would require strong ties to employers. This could include heavy promotion of APTC recruitment among employers within Australia, international job fairs in origin countries, or the use of a short-term work visa that could be used for APTC graduates to have brief internships in Australia. The APTC has partly recognized that this is a barrier to movement by graduates,¹⁶ but such promotion efforts remain very limited. The APTC is generally perceived in Canberra to have emerged from the Prime Minister's office, not from any clamouring by Australian employers seeking skilled workers from the Pacific region.
- *Interministerial coordination.* Our discussions in Canberra suggested that, from the beginning, there was little joint planning for the movement of APTC graduates between AusAID and the Department of Immigration. We were not able to identify any prior study of the immigration requirements for APTC graduates such as we conduct in the previous section. Such an exercise would have required cooperation between multiple ministries and would have been required to form a plan to achieve the high immigration rates envisaged at the opening of the APTC. This interministerial effort would need to be operationally institutionalized.

¹⁵ “Access to Australian employment is for some trades restricted by national and state registration requirements. The APTC should therefore continue to investigate partnerships with Australian industry bodies, such as the Master Plumbers Association and Electrical Contractors Association, and industry interlocutors, such as the Australian Chamber of Commerce and Industry, to review viability, and if appropriate, obtain sponsorship for any necessary in-Australia workplace training for Australian registration requirements” (AusAID 2010a, p. 23).

¹⁶ “Whilst the APTC is not responsible for employment services, it will encourage regional and international employers to consider the employment of APTC graduates” (AusAID 2010a, p. 22).

- *The costs of expatriate staff.* Heavy use of Australian expatriate staff on the island campuses has meant that the cost of training each APTC graduate rivals the cost of bringing him or her to Australia for training there.¹⁷ The cost per student in the APTC is much greater than the cost in local training facilities,¹⁸ suggesting that even a partial shift toward local staffing of APTC training facilities could mostly or entirely finance the costs of skill recognition and visa acquisition described in Table 4 without adding to the overall budget. The APTC is in fact now engaged in training local staff that could replace expatriate educators in the future.

7 Conclusion

The APTC began as a new type of international program to link skill creation and skill mobility. It began with the complementary goals of building skills in Pacific Island states and fostering regional skilled or semi-skilled labour mobility—including mobility to Australia. While it has attained the goal of large-scale skill creation, it has not attained the goal of fostering substantial international labour mobility.

¹⁷ “Annex G shows the average annual cost of AUD\$14,669 per APTC student in 2009. This is comparable with the average AUD\$10,000 – AUD\$15,000 cost per place at which RTOs might be funded for Australia-based delivery, particularly when allowances are made for the additional costs of operating a multi-country campus in the South Pacific, with its high attendant travel and professional overhead” (APTC 2010a, p. 19–20). “The cost of the training delivered by the project is approximately \$34,600 per graduate, which is roughly equivalent to the cost of providing a scholarship to study in an equivalent course in Australia” (Auditor General 2011, p. 92).

¹⁸ Nair (2010) compares the cost of APTC training in Fiji to comparable training at Fiji National University. Nair writes, “The cost of training each of the 3,000 students at the APTC is about FD\$97,666 (=FD\$293 million ÷ 3000); compared to one FNU Automotive student pays about FD\$2,093 (Regional Student = FD\$9,174) for the 2 year Trade Certificate Program; which is less than 10% of what it cost for an APTC student ... A Diploma in Automotive student completing a 2 year program at FNU would pay about FD\$3673 (Regional = FD\$16,567). The cost of accommodation and food at any FNU Hostel is FD\$20/day or FD\$140/week equivalent to FD\$4480/year or FD\$8,960 for the 2 year duration of the program. Thus a Trade Certificate student from the region would pay a total amount of about FD\$18,134 and a Diploma student FD\$25,527 for the full duration of their program, inclusive of boarding and food. This is about 19% and 26% respectively of the cost of training one APTC student in 6 months. Thus for equivalent the cost of training one APTC student, FNU could have trained about 5 Trade Certificate students or 4 Diploma students. Thus for the budgeted A\$150 million, FNU could have trained at least 12,000 Diploma students or 20,000 Trade Certificate students from the region (or 4 times more locals)”. While Nair’s estimates include the cost of housing and food, which are included in the APTC cost estimates, they do not appear to account for public subsidies to FNU operating costs. In 2013, FNU is to receive FD\$24 million in operating grants and transfers from the Government of Fiji (PWC 2012), approximately FD\$1,200 for each of its 20,000 enrolled students. Adding costs of this magnitude to Nair’s figures would not alter Nair’s conclusion that FNU costs per student are less than a third of APTC costs. A further consideration, however, is that APTC costs include the costs of training trainers, whereas FNU costs thus calculated would not. Given reasonable ratios of students to trainers, however, including this additional cost in the FNU cost estimates would also be unlikely to alter the conclusion that APTC training costs greatly exceed FNU training costs.

We find that by far the principal constraint on international migration by APTC graduates has been the opportunity to migrate rather than the desire to migrate. Among the most important limits on migration opportunity has been the lack of a streamlined and affordable path for APTC graduates to get their skills and experience assessed and certified in Australian trades. Another critical limitation on graduates' movement has been the lack of mechanisms for them to get to know potential Australian employers and vice versa. We find that the principal reason for the persistence of these adverse design features is a lack of political commitment—both in the Australian government or Pacific island governments—to the original labour mobility goal of the APTC.

There are a number of lessons. Future regional programs that seek to link skill creation with skill mobility can be expected to face resistance, and will need to build political commitment from both sending and receiving countries. This will likely require broad consultations, but also good design. To ensure political support in sending countries, and to maximize economic welfare, international mobility programs will need to ensure that they contribute to rather than deplete the stock of skilled workers. They will also need to provide mechanisms by which experience as well as qualifications can be internationally recognized, and through which links can be made with potential international employers. We also suggest that immigration ministries work directly with aid and education ministries to ensure that movement plans are administratively viable, and that such programs rely as quickly as possible on local staffing of training facilities to make best use of the cost advantage of training workers in developing countries.

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Table 1: Cumulative migration by APTC graduates since founding in 2007

As of date	2011 <i>Jan.</i>	2012 <i>Jul.</i>	2013 <i>Mar.</i>	2013 <i>Nov.</i>
Migrant graduates (stock)	40	72	76	—
of which:				
Australia	—	29	33	—
New Zealand	—	25	25	—
Pacific Islands	—	12	12	—
Other	—	6	6	—
Total graduates to date (stock)	2424	3931	4919	—
% migrant	1.7%	1.8%	1.5%	—
% in Aus/NZ	—	1.4%	1.2%	—
Only 2007–2011 graduates (stock)	—	—	—	4804
% migrant	—	—	—	3.3%
% in Aus/NZ	—	—	—	[2.6%]*

“Other” means Austria, China, or Unknown. “Stock” means the cumulative number who have migrated or graduated at any point prior to and including the date of observation. *There are no primary data on the fraction of international migrants in Nov. 2013, among 2007–2011 graduates, who migrated to Australia or New Zealand. The primary data indicate only that 3.3% are in some country other than their country of origin, which could include other countries in the Pacific. The figure of 2.6% here is an estimate based on the July 2012 and March 2013 data in the previous two columns. If the fraction of all migrants who were in Australia or New Zealand was the same in the Nov. 2013 sample as it was in the previous two samples, then about 2.6% of the 2007–2011 graduates in the November 2013 sample would have been in Australia or New Zealand. Sources: January 2011 data from Australian National Audit Office, *AusAID's Management of Tertiary Training Assistance*, Audit Report No.44 2010–11, Canberra; Auditor General, p. 90. June 2012 data from APTC *6-Monthly Progress Report*, January–June 2012, p. 75. March 2013 data from APTC *Quarterly Activity Report*, Quarter 1, January–March 2013, p. 14. Nov. 2013 data from Swanton and Ong (2013).

Table 2: Unprompted expressions of emigration desire in responses to the APTC Graduate Tracer Study

Country	Comment (verbatim, with boldface added)	Course and year	Prompt ^a
Fiji	“They provide the best for their students and also you set recognised abroad with your certificate with better job opportunities.”	Tourism operations 2011	A
Fiji	“I hope that APTC gives me another opportunity to study in Australia or Anywhere in the world.”	Commercial cookery 2009	A
Fiji	“They provide the best for their students and also you set recognised abroad with your certificate with better job opportunities.”	Tourism operations 2011	A
Fiji	“It gives me experience for my future jobs, the certificate i have obtained can give me a chance to work overseas.”	Carpenter (N.D.)	A
Fiji	“I would like it if the APTC alumni would provide suitable sponsors, travel arrangement working arrangement to other places overseas.”	Hospitality operations 2010	C
Fiji	“APTC should find jobs overseas for current students of APTC/ graduated students.”	Commercial cookery 2011	C
Fiji	“If only APTC can provide jobs for graduated students overseas.”	Hairdressing 2011	C
Fiji	“More courses in my field as carpenter and more jobs overseas of if there's any course that I need to tak as soon as possible.”	Carpentry (N.D.)	C
Fiji	“I'm highly hoping to further my carrer overseas.”	Children's services CIII 2010	C
Fiji	“Please give me a chance to work in Australia.”	Plumbing 2010	C
Fiji	“I hope to graduate soon and attend the next course so that I can achieve my goal to work in Australia.”	Plumbing 2010	C
Fiji	“As an APTC organisation, you people should find job for us as well as provide training in Australian Hotels so that we get more demands in our nation.”	Commercial cookery 2010	C
Fiji	“Skills for exising [sic] workers, quality skills training for new industry standard, courses delivered to Australian standard and also chances of migrating to seek employment opportunity in Australia in more.”	STH training and assessment 2009	B
Fiji	“It has reasonable expenses to cover the course. Gives a thorough knowledge and has higher chances of getting a job overseas.”	Commercial cookery (N.D.)	B
Fiji	“Certificates attained are of Australian standards and cheaper if we were to go overseas or attend FNU or USP.”	STH training and assessment (N.D.)	B
Fiji	“...courses delivered to Australian standard and also chances of migrating to seek employment opportunity in Australia in more.”	STH training and assessment 2009	B
Fiji	“APTC courses is easy to understand at our level and available in Fiji with recognised certificate in the Pacific and also in Australia could be the door way to other Country.”	Community welfare (N.D.)	B
Fiji	“i[n] years to come i want to migrate to Australia and progress further in my field. It will be	Chef 2009	E

	greatful [sic] if i am given another scholarship to study Certificate IV in Australia.”		
Fiji	“No Promotion, If given a job in Australia for 5 years and come back will be really terrific.”	TAA training and assessment 2009	F
Kiribati	“I would like to continue on Hositality Operations if Certificate IV is applicable. This maybe able for me to seek jobs abroad.”	Hospitality operations 2009	A
Kiribati	“So that if I have a chance to study overseas I would learn more skills and this I can pass to the citizens of Kiribati. This might allow them to be employed overseas. Also teaching methods applied outside my country will help me to improve the KIT to a better standard.”	STH training and assessment 2009	A
Kiribati	“Also it’s a good opportunity for me to have a scholarship or study overseas.”	Children’s services CIII 2010	A
Kiribati	“English is still the problem in this institute where trainees come from different islands and most of them have very little education and most of all they have very little knowledge of speaking or writing English. Teaching English to them in a way where they could speak and write fluently will be a very good choice to this institute. Trainees will have to go overseas once they have passed out and have to communicate in English.”	STH training and assessment 2009	C
Kiribati	“I would like to apply for a level 4 as what I really like to teach the new technologies either locally or overseas (Australian Certificate 4).”	Automotive mechanical 2009	C
Kiribati	“APTC courses are recognised in other Pacific countries as well as in Australia and New Zealand after completing these courses people will have a chance in finding jobs offshore.”	STH training and assessment 2009	B
Kiribati	“So that their qualifications is recognised both in Kiribati and offshore especially in Australia.”	STH training and assessment 2010	B
Kiribati	“So that the outcomes should easily get jobs locally and offshore with a recognised qualification.”	STH training and assessment (N.D.)	B
Nauru	“I need to complete another Certificate because for myself i can use my skills to try and do catering services or try to find a job in Australia”	Commercial cookery 2010	A
Nauru	“Would really want to improve the business/ organisations where i'm currently working, but would like to upgrade my skills (practically) in other Hotels (Overseas).”	Hospitality operations 2010	C
PNG	“I would really like to work overseas due to better working conditions.”	Mechanical fitting 2010	A
PNG	“Also I like to get more qualification to work in Australia or other Countries.”	Automotive mechanical 2011	A
PNG	“Id greatly appreciate if I would be given an offer to further do my interest in studying in overseas doing electronics.”	Mechanical fitting 2009	C
PNG	“APTC should send students with high distinction to experience overseas work experience for a certain time frame before they could return home after the course. Just to expose the APTC students and the APTC skills gained which will give the organisation opportunity to look into employing APTC students with the skills provided internationally.”	Commercial cookery 2008	C
PNG	“Also if possible more students should be given a chance to study overseas.”	Automotive mechanical	C

		2009	
PNG	"This country is marred by corruption and wantok system and I still can't find a job therefore I am looking for overseas employment."	Hospitality supervision 2009	F
PNG	"When I completed the APTC course, I was not promoted by the company and my salary was not increased still the same and still looking for new job from mining company and overseas and also am happy with APTC I learn more lesson and have more knowledge."	Automotive mechanical 2011	F
Samoa	"Because I need to get more experience and high standard of education level and I am planning to migrate overseas and I need to get a job from my APTC certificate."	Hospitality/Accommodation 2009	A
Samoa	"I need those international certificates for overseas jobs."	Hospitality operations (N.D.)	A
Samoa	"Need more qualifications and opportunity to go overseas to learn more. Job offers from overseas."	Commercial cookery 2008	C
Samoa	"Hopefully if I get another scholarship I want to study overseas. I want to move up the ladder and get a great opportunity to work when I succeed."	Hospitality operations	C
Samoa	"We can't travel overseas for further training but this is the good chance for me to study locally."	STH training and assessment 2010	C
Samoa	"I want you my dear APTC to find a job for me in Australia to prove my skills and look for more money to help my family needs."	Carpentry 2011	C
Samoa	"Mostly local people now migrate overseas so it's a must to complete some courses with APTC to help them out while moving to New Zealand or Australia."	Hospitality (N.D.)	B
Samoa	"I push some of the staff in the area of fixing coolers/ refrigeration to get qualified/ certificate from Australia standard. They can use these Certificates overseas because its well organised, most of all its mainly practical, easy to learn."	STH training and assessment 2010	B
Samoa	"I know the difference between National University of Samoa and APTC. APTC available overseas that's the main point I push to lots of my staff and friends to go to APTC to study."	Hospitality operations 2009	B
Solomon Is.	"I would like if the APTC could establish a link, an opportunity for the graduate students to find a job in other overseas countries."	Hospitality operations 2008	C
Solomon Is.	"Please help us get more/further education in our field of travels. Get overseas job to help us broaden our experience especially in handling equipment."	Hospitality operations 2008	C
Solomon Is.	"APTC to assist in placement to work in Australia."	Carpentry 2009	C
Solomon Is.	"I'd like APTC to help in: Going out to other hotels in the Pacific Islands or Like same commercial kitchen in Australia."	Commercial cookery 2010	C
Tonga	"I know for sure that if I take another course in APTC, then I will have more qualification. Then it will be easier for me to have good Job in overseas Countries especially New Zealand and Australia."	Tourism operations 2010	A
Tonga	"Move up to Australia for more apprentice on each area."	Fabrication welding 2010	D

Tonga	“Here in Tonga looking for a job is very hard and unemployment is very hight therefore I would recommend APTC courses to other people especially youth to help them get a job in the near future not only here in Tonga but overseas as well if they get a chances overseas.”	Tourism operations 2010	B
Vanuatu	“Firstly I would like to undertake another APTC course in the future because I would like to further my knowledge and to get into further studies overseas.”	Hospitality operations 2010	A
Vanuatu	“As a Ex-APTC student, this is just like a comment and like a suggestion to APTC has trained students well and helping the gaining very high level of education in the industry in Vanuatu; thank you for that. Therefor, I was just gona say if it is possible or not that by doing this if the APTC can also help ex-APTC students like funding them places overseas for job opportunity.”	Carpentry 2009	C
Vanuatu	“Please provide more course for students in the Country or overseas would be good.”	STH training and assessment (N.D.)	C
Vanuatu	“I want APTC provided job in another country like, Fiji, Australia and New Zealand.”	Carpentry 2009	E
Vanuatu	“Yes I've been promoted to be a Chef in a restaurant in New Zealand for 2 years but I moved to another place.”	Commercial cookery 2010	F
Vanuatu	“I am already working but decided to look for job overseas.”	Hospitality supervision 2010	G

These rows represent 58 respondents out of 1,067 (5.4%). “N.D.” = “no date”. We omit multiple references to migration by the same respondent. ^a *Questionnaire prompts:* A = “Would you undertake another APTC course in future?”; B = “Would you recommend APTC courses to other people?”; C = “Do you have any other comments?”; D = “Did your course introduce new, more efficient workplace practices to replace traditional methods?”; E = “Did APTC course provide essential skills & knowledge required by employers & industry?”; F = “Did you receive a promotion after graduation?”; G = “How many months after graduation did you start your job search?”

Table 3: Potential for APTC graduates to qualify for unsponsored ‘Skilled Independent’ settler visas to Australia

	Points system 2007–2009					Points system 2010–2013				
	18–29 28.7%	30–34 21.9%	35–39 17.7%	40–44 13.8%	45+ 17.9%	18–24 6.6%	25–32 35.4%	33–39 26.3%	40–44 13.8%	45+ 17.9%
Age										
Fraction of enrollees (Feb. 18, 2013)										
Basic points										
Age	30	25	20	15	0	25	30	25	15	0
English: proficient	20	20	20	20	20	10	10	10	10	10
Australian diploma/qualification						10	10	10	10	10
MODL occupation	20	20	20	20	20					
Subtotal (without skill recognition)	70	65	60	55	40	45	50	45	35	20
Points requiring skill recognition										
3 years overseas skilled employment	60	60	60	60	60	5	5	5	5	5
+5 years overseas experience	10	10	10	10	10	—	10	10	10	10
One year work in Australia	5	5	5	5	5	5	5	5	5	5
Nomination by state government	10	10	10	10	10	5	5	5	5	5
Total (including skill recognition)	155	150	145	140	125	60	75	70	60	45
Pass mark	120	120	120	120	120	65	65	65	65	65

Age fractions show the fraction of all enrolled students from 2007 through February 18, 2013 for which an age is recorded in APTC records (5,646 out of 5,654). This table shows no points for the cell corresponding to age 18–24 with 8 years of work experience, since this combination could rarely exist. Sources: the 2007–2009 scheme is described in Birrell, Hawthorne, and Richardson (2006), and the post-2010 scheme in DIAC (2011).

Table 4: Costs of skill/experience recognition for Australian trades

Occupation:	Cook	Carpenter	Hospitality Worker
Origin country:	Fiji	Fiji	PNG
Skill recognition costs			
Skills Assessment Fee	A\$800	A\$600	A\$600
Travel Expenses	A\$858	A\$858	A\$1,054
Technical Interview	A\$500	A\$500	A\$500
Visa for Skills Assessment ^a	A\$115	A\$115	A\$115
Subtotal (skill recognition)	A\$2,273	A\$2,073	A\$2,269
Visa costs^b			
Either: 457 Skilled work, temp.	A\$1,035	A\$1,035	A\$1,035
Or: 189 Skilled independent	A\$3,520	A\$3,520	A\$3,520 ^c
Total (skill recognition + visa)	A\$3,308–5,793	A\$3,108–5,593	A\$3,304–5,789
			A\$1,685–4,170
<i>For comparison:</i>			
GDP/capita	A\$4,712 (Fiji)	A\$4,712 (Fiji)	A\$2,004 (PNG)
APTC Course Cost	A\$2,039	A\$932	A\$1,670
			A\$368–1,670

Source: See the Appendix, “Method and sources for skills assessment costs”. Notes: We do not include cooks coming from PNG because this course is not currently offered at the Port Moresby APTC. Income per capita is measured at market exchange rates, the appropriate measure for the purpose of measuring ability to pay Australian fees. ^aThis is the cost of the least expensive visa to enter Australia, a Visitor (subclass 600) visa, as of July 2013. ^bVisa fee assumes applicant age 18 or more. Not included are living expenses, such as accommodation fees and food. ^cExtremely few hospitality workers other than high-level managers would in practice be considered for Skilled Independent settler visas.

Appendix: Method and sources for skills assessment costs

We analyze three of the top five highest-frequency qualifications awarded by APTC: hospitality worker,¹⁹ cook, and carpenter. The other two certifications in the top five have little relevance for migration to Australia: one is for training (given in large part to students studying to become APTC trainers) and for children's services.²⁰ This appendix lists the sources for Table 4 in the main text.

Hospitality worker

The application process for hospitality workers is opaque. Although the government has said that there is a labor agreement that would allow hospitality workers to apply for the 457 visa, it is very difficult to find any information about the project. Although there is no mention on the Department of Immigration or VETASSESS website about a technical interview for hospitality workers, the costs of applying for the visa remain high relative to the per capita GDPs of the countries eligible to send workers to Australia.

- APTC Course: [SIT30707 Certificate III in Hospitality](#) available in Fiji, Samoa, Vanuatu, and Papua New Guinea. The course costs (calculated on 8/6/13):
 - Fiji: FJD 1,200 ([A\\$699](#)), Samoa: WST 800 ([A\\$374](#)), Vanuatu: Vt 32,000 ([A\\$368](#)), Papua New Guinea: PGK 3,500 ([A\\$1,670](#))
- The hospitality occupations listed under the [Consolidated Sponsored Occupation List](#) are all management-level positions like hotel or retirement village managers. To qualify for those occupations, applicants typically need a skill certification higher than Certificate III in Hospitality. In response to hospitality industry shortages of skilled workers, [the Australian government has announced a new labor agreement](#) that would allow hospitality workers to apply for the 457 visa even if their role is not listed on the list of sponsored occupations.

¹⁹ Although hospitality workers are not listed on the CSOL, [this article](#) notes that the government of Australia announced a labor agreement that allows employers to hire foreigners in hospitality occupations not listed on the CSOL.

²⁰ Certificate III in Children's Services is one of the most awarded certifications at APTC, but it is not a strong enough qualification to qualify an applicant to work as a pre-primary teacher or child care center manager. The occupations for which the certification is applicable are not listed on the Consolidated Skilled Occupation List (CSOL).

- It is not completely clear what kind of assessment would be needed for a hospitality worker. According to this discussion paper on a labor agreement for the hospitality industry, the Department of Immigration and Citizenship “would need to be satisfied that the independent skills assessment process will ensure that overseas workers have skills to Australian standards” (p. 6). Assuming hospitality workers would do their independent skills assessment through the same agency hospitality managers are required to use (VETASSESS), [an assessment would cost A\\$650](#). Applicants can apply online or by mail. It appears as though hospitality workers do not need to travel to Australia to conduct a practical skills assessment. Instead, VETASSESS conducts a review of the applicant’s qualifications.
- If the skills assessment is approved, [the applicant will have to pay a base application charge of A\\$900 for the 457 visa and an additional charge of A\\$900 if the applicant is over 18](#). The total visa application fee is thus A\$1,800.
- The total cost of the skills assessment process is A\$650. If the skills assessment is accepted, the cost of applying for the 457 visa is A\$1,800, resulting in a total cost of A\$2,450.
- GDP per capita (at exchange rates, not PPP) of Fiji: USD \$4,200 ([A\\$4,712](#) as calculated on 8/5/13)
- GDP per capita (at exchange rates, not PPP) of Papua New Guinea: USD \$1,790 ([A\\$2,004](#) as calculated on 8/5/13).
- All applicants must demonstrate that they have English language proficiency that is equivalent to an International English Language Testing System (IELTS) test score of at least 5 in each of the four test components (speaking, reading, writing, listening) or at least a ‘B’ in each of the components of an Occupational English Test (OET).

Cook

The application process to acquire a 457 visa as a cook is considerably clearer than the process as a hospitality worker. Nonetheless, the costs are high. Applicants must incur costs of over A\$2,000 without a guarantee of receiving the skills assessment necessary to acquire a

457 visa. If a cook passes her technical interview, she must still pay an additional A\$1,800 to apply for the visa.

- ANZSCO Code: 351411
- APTC Course: [SIT30807 Certificate III in Hospitality \(Commercial Cookery\)](#)
- The course is offered in Fiji, Samoa, and Vanuatu. Of these three countries, only Fiji is on the list of [nominated countries for trades requiring a skills assessment](#).
Individuals applying for the 457 visa in one of the nominated trades must hold a passport from one of the nominated countries.
- In Fiji, the course costs FJD 3,500 ([A\\$2,039](#) as calculated on 8/6/13)
- Certification agency: Trades Recognition Australia (TRA)
- There are [three Registered Training Organisations \(RTOs\) that can conduct a skill assessment](#).
- Looking at one of the three RTOs, [William Angliss Institute](#), as an example, an applicant must first complete a pre-assessment. Applicants must then submit an application. As part of the application, applicants must submit a photo or video CD containing images of the applicant performing work tasks. Pathway Two applicants must also include pay slips or tax records proving three years of full-time employment in a relevant and directly related trade, including at least 12 months of full-time paid employment as a cook in the two years before applying. Following submission of the application, applicants must attend a technical interview at the Institute, which is located in Melbourne. A flowchart of the application process can be found [here](#).
- The cost of submitting an application is A\$800. The minimum cost of the technical interview is A\$500. A full schedule of fees can be found [here](#).
- Cost of a round-trip ticket (11/5/13 to 11/9/13) from Nadi, Fiji to Melbourne for technical interview: [A\\$658](#) as calculated on 8/5/13.
- Visa to enter Australia for the purposes of the technical interview: [A\\$115](#)

- Cost of travel expenses like accommodation, food, etc.: [approximately A\\$200](#)
- If the skills assessment is approved, [the applicant will have to pay a base application charge of A\\$900 for the 457 visa and an additional charge of A\\$900 if the applicant is over 18](#). The total visa application fee is thus A\$1,800.
- Without the guarantee of even passing the skills assessment, applicants would have to spend a minimum of A\$2,073. If an applicant's skills assessment is approved, she would have to pay an additional \$1,800 to apply for the 457 visa. Thus, the total cost of acquiring a 457 visa would be at least A\$3,873.
- GDP per capita (at exchange rates, not PPP) of Fiji: USD \$4,200 ([A\\$4,712](#) as calculated on 8/5/13)
- All applicants must demonstrate that they have English language proficiency that is equivalent to an International English Language Testing System (IELTS) test score of at least 5 in each of the four test components (speaking, reading, writing, listening) or at least a 'B' in each of the components of an Occupational English Test (OET).

Carpenter

The costs and requirements for acquiring a 457 visa as a carpenter are similar to the equivalent requirements for cooks. In the case of Fiji, the total costs for acquiring a visa amount to more than 80 percent of GDP per capita. As for Papua New Guinea, the costs are more than twice as high as GDP per capita. It is important to bear in mind that, as with the other professions, applicants can incur more than half of these costs without even having their skills recognized. If their skills are recognized, they must then pay an additional fee to acquire the visa.

- ANZSCO Code 331212
- [APTC Course CPC30211 Certificate III in Carpentry](#)
- The course is offered in Fiji, Papua New Guinea, and Vanuatu, but only Fiji and Papua New Guinea are [on the list of nominated countries for occupations requiring a skills assessment](#). Individuals applying for the 457 visa in one of the nominated

trades must hold a passport from one of the nominated countries. In addition to cooks, carpenters are required to have a skills assessment.

- The costs of the course as calculated on 8/6/13 are:
 - Fiji: FJD 1,600 ([A\\$932](#))
 - Papua New Guinea: PGK 3,500 ([A\\$1,670](#))
- Certification agency: TRA
- There are [two RTOs that can assess this occupation](#): VETASSESS and Victoria University.
- A detailed description of the application process through Victoria University can be found [here](#). Applicants must complete an application and demonstrate at least three years of full-time paid employment in a relevant and directly related trade, including at least 12 months full-time paid employment as a carpenter in the two years before applying. Applicants will then need to attend a technical interview at a Victoria University office.
- [The cost of the application assessment is A\\$600 and the cost of the technical assessment is A\\$500.](#)
- Cost of a round-trip ticket (11/5/13 to 11/9/13) from Nadi, Fiji to Melbourne for technical interview: [A\\$658](#)
- Cost of a round-trip ticket (11/5/12 to 11/9/13 from Port Moresby, Papua New Guinea to Melbourne for technical interview: [A\\$854](#) as calculated on 8/5/13.
- Visa to enter Australia for the purposes of the technical interview: [A\\$115](#)
- Cost of travel expenses like accommodation, food, etc.: [approximately A\\$200](#)
- If the skills assessment is approved, [the applicant will have to pay a base application charge of A\\$900 for the 457 visa and an additional charge of A\\$900 if the applicant is over 18](#). The total visa application fee is thus A\$1,800.

- GDP per capita (at exchange rates, not PPP) of Fiji: USD \$4,200 ([A\\$4,712](#) as calculated on 8/5/13)
- GDP per capita (at exchange rates, not PPP) of Papua New Guinea: USD \$1,790 ([A\\$2,004](#) as calculated on 8/5/13).
- All applicants must demonstrate that they have English language proficiency that is equivalent to an International English Language Testing System (IELTS) test score of at least 5 in each of the four test components (speaking, reading, writing, listening) or at least a 'B' in each of the components of an Occupational English Test (OET).