



# **A Migration System for Australia's Future**

CCIWA submission

**December 2022**

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## Introduction

CCIWA is the peak body advancing trade and commerce in Western Australia. We want the best for communities across the State. We advocate for public policies that will make WA the best place to live and do business, and that reflect the needs of all our stakeholders — businesses, families, consumers and the WA workforce.

Western Australia, like most of the nation, continues to face crippling worker shortages. It is the biggest challenge facing WA businesses, with over 80 per cent saying they are struggling to fill roles. To further illustrate the scale of the problem, WA has more job vacancies than unemployed people. Labour shortages are being felt acutely across most industries.

This is despite WA businesses ramping up training and employing locals, supported by efforts from government including low-cost training and wage subsidies. Apprenticeships and traineeships in our state are now at boom-like levels.

A less complex and more flexible migration system that provides easier and more efficient access to overseas workers is therefore imperative in helping businesses, and in turn our economy, to remain competitive and thrive.

Not only do migrant workers contribute to addressing workforce shortages by filling positions when there are no Australian workers available, skilled migrants contribute substantially to innovation and the transfer of knowledge and skills from overseas to Australia. Migrants broaden the pool of available skills, improving the international flow of talent and the capacity of our economy to respond to structural changes in the labour market.

For many years Australia's approach to migration was world leading. But since 2017, the program has become expensive, complex, less responsive to needs and subject to unacceptable delays.

Our submission outlines some of the biggest challenges facing WA businesses and provides recommendations we believe need to be implemented in our migration system to help address these issues.

While we welcome a comprehensive review of Australia's migration system, we are concerned that the process may prolong actions being taken to resolve the bottlenecks in the visa processing system. WA businesses and their employees have been under immense pressure for nearly two years now, and the negative impacts are being felt by their customers and the WA community more broadly. While we acknowledge that transforming the migration system will take time, we urge that solutions to resolving the bottlenecks be implemented urgently.

“People are doing double and triple shifts — we're walking a tightrope with Work Health and Safety regulations.”

“It’s taking 12 months to process a 482 visa.”

“There’s a huge gap between the technical people and those being upskilled. We just don’t have the senior people to train and deliver work at the same time.”

“I don’t see a light at the end of the tunnel. Our workforce is tired and demoralised. We’ve had to close our books which means families out there aren’t getting the support they need.”

## PARTICIPANTS IN CCIWA WORKER SHORTAGES ROUNDTABLE

### Changes to skilled migration

WA relies more heavily on skilled migration to meet labour demands that cannot be filled locally and for highly specialised skills than other States. It is the most reliant State on permanent migrants and tied with Queensland for reliance on temporary migrants.

Finding ways to get more skilled migrants to WA is therefore a top priority for our State.

We urgently need bottlenecks in the skilled migration system to be resolved to enable WA businesses to access the workers they need. For employer sponsored skilled migration, we are calling for:

- Temporarily suspending labour market testing requirements until Australia’s unemployment rate is below the natural rate of unemployment, to reduce red-tape in the system.
- Maintaining just a single occupation list that includes all skilled occupations and allowing a pathway to permanency for all skilled migrants.
- Retaining unrestricted working hours for international students for a longer period until critical labour shortages are eased.

Over the longer term, we would like to see labour market testing reformed to make it less cumbersome and more flexible, for example, by limiting the circumstances in which it is required to occupations not in shortage and removing the requirement to do a labour market test when a visa is being renewed.

We also recommend the Government cut red-tape in the visa processing system by:

- Improving the Skills Assessment process undertaken by bodies such as Trades Recognition Australia and VETASSESS. This includes simplifying and increasing transparency over the requirements of the process as well as aligning the requirements with visa requirements; and creating easier communication options for applicants and migration agents.
- Reducing the Skilling Australians Fund levy and increasing integrity over how the funds are spent — funds must be spent on training or could be used to support

universities to deliver English language training to migrants who would otherwise not meet the English competency requirements of their visa.

## Changes to unskilled migration

Attracting skilled migrants is vital, however, the need for lower-skilled workers is just as pressing. Lower-wage sectors like hospitality, retail, and health care & social assistance have some of the highest vacancies not just in WA, but in the country. Yet pathways to secure workers for these sectors are limited within our current migration system, which is geared towards higher-skilled and higher-wage occupations.

If we do not expand or increase the pathways available to secure workers at various skill levels, labour shortages will persist.

To meet the need for unskilled, low-skilled and semi-skilled workers, such as sales assistants, waiters, and care support workers, we are calling for:

- Opening the Pacific Australia Labour Mobility (PALM) scheme to all postcodes in WA (not just regional areas), and all industries / occupations.
- Broadening the source countries for the PALM scheme beyond just the Pacific Islands.
- Allowing occupations assessed as Skill Level 4 to be included on the skilled occupation list.
- Including three months of work in the tourism and hospitality sector as eligible work to qualify for a second Working Holiday Maker visa, expanding it to include areas beyond the current 'northern or remote and very remote Australia' qualifying regions.

We support raising the Temporary Skilled Migrant Income Threshold (TSMIT) to \$60,000. With the already limited pathways to securing workers for lower-wage sectors, raising the TSMIT any higher would further restrict these industries' access to workers and exacerbate the labour shortage they are experiencing. Raising the TSMIT for example, to \$70,000, would exclude around 23,000 workers in the hospitality and retail industries and 7,800 workers in the manufacturing industry nationally; when in WA alone, businesses in the hospitality & retail industries and manufacturing industry are looking for around 5,600 and 2,600 workers respectively.<sup>1, 2, 3</sup>

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<sup>1</sup> ABS data.

<sup>2</sup> Internet Vacancy Index data.

<sup>3</sup> CCIWA analysis.

## **Amplifying efforts to rebuild our reputation internationally**

Finally, we need to act aggressively to address reputational issues in international markets post COVID-19. Australia is being outplayed by other economies in this area.

This should include:

- Exploring innovative approaches to visas being adopted overseas. For example, in the UK, if you are a graduate of a top 50 university, you can get a two-year visa (or three-year if you have a PhD or doctorate), no questions asked.
- Promotion campaigns by Government that build Australia's profile on jobs, liveability and education to attract workers, international students and tourists to Australia.