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Paul Denman
Assistant Secretary
Immigration Policy and Planning
Department of Home Affairs
Canberra ACT 2600

Via email: migration.policy@homeaffairs.gov.au

Dear Mr Denman

2024-25 Permanent Migration Program

The Chamber of Commerce and Industry of Western Australia (CCIWA) is the peak body advancing trade and commerce in Western Australia. We are fundamentally committed to using our insights to develop and advocate for public policies that will help realise our vision to make WA the best place to live and do business.

We thank you for the opportunity to provide input into shaping Australia's 2024-25 permanent Migration Program. In recognising the critical role that skilled migration plays in bolstering Western Australia's - and indeed our nation's - economic prosperity and social fabric, we are committed to providing meaningful input that aligns with the pressing needs of both the business community and the broader Australian community.

Ideal Size and Composition of Australia's 2024-25 Permanent Migration Program

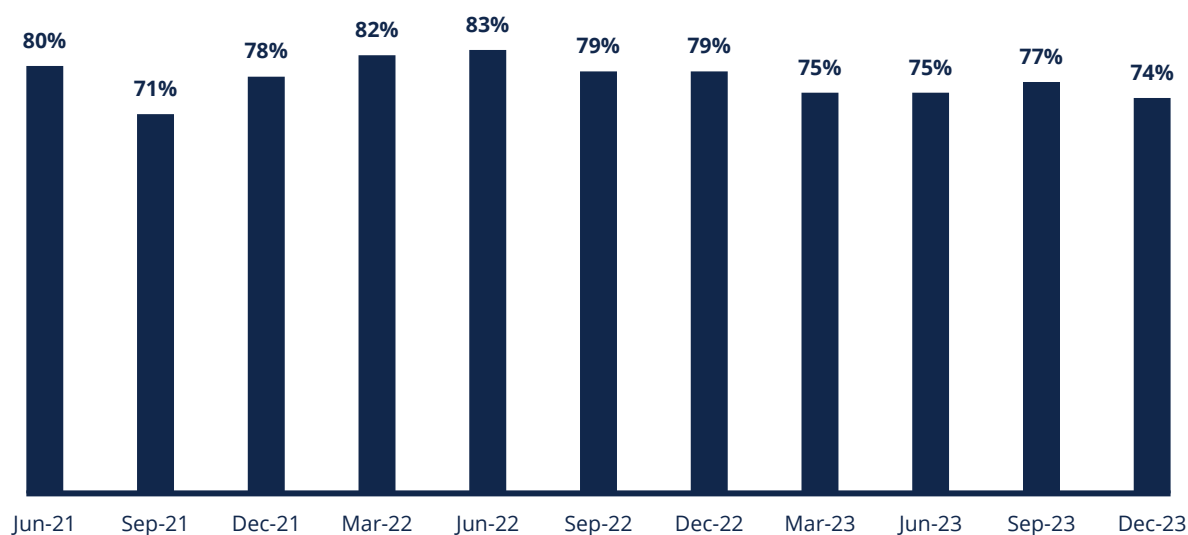
In relation to the ideal size and composition of the 2024-25 permanent Migration Program, we recommend the cap for the program should remain at 190,000 places. Recent data from Jobs and Skills Australia and the Australian Bureau of Statistics (ABS) highlights an acute shortage of skilled labour nationwide. While job vacancies have slightly decreased in the past year, there is still 261,200 job vacancies (recorded in online advertisements) as of October 2023, which is notably high – and underlies the persistent demand for skilled workers experienced by businesses across various industries. A swift response is required to fill these positions, especially given Australia's consistently low unemployment rate, and the impact these shortages have on Australia's productivity, growth and diversification potential.

Similarly, in Western Australia, CCIWA's Business Confidence survey¹ shows that three out of four businesses continue to grapple with critical skills shortages, a trend that has persisted over several years (see figure 1). To address these shortages effectively, a key recommendation is to strategically allocate more places to the employer-nominated

¹ WA's longest running survey of business conditions.

scheme. This would ensure that employers in need can hire the workers they require to grow, diversify and drive productivity gains.

Figure 1: Percentage of respondents to CCIWA's Business Confidence Survey struggling to fill a position



While attracting skilled migrants is vital, particularly in high growth areas of the economy such as in supporting the energy transition, in building and construction, and in defence, 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 Western Australia, but in the country. Yet pathways to secure workers for these sectors are limited within our current migration system, which continue to be geared toward 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 in areas of critical need.

Supporting economic prosperity and fairness through migration policy settings

Migration policy is critically important to Australia's economic and social fabric. Not only do migrant workers contribute to addressing workforce shortages by filling positions when there are no or limited 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. This is particularly pertinent in new and emerging areas, such as the energy transition. Migrant workers do also play an oversized role in the care economy, such as for example within the aged care sector, and will continue to underpin our ability to care for Australia's most vulnerable populations.

Australia's migration policy settings must be streamlined and conducive to the employment of migrant workers, facilitating economic prosperity while ensuring fairness. Presently however, the migration system's complexity, high costs, and

unwarranted delays deter potential migrant workers, impacting Australia's attractiveness as a destination internationally. The recently unveiled Migration Strategy outlines comprehensive reforms, including measures to simplify the scheme, which are welcome. However, we continue to call for more immediate reforms such as suspending labour market testing requirements and maintaining a single occupation list for all skilled visa streams, which aligns with our vision for a more agile and competitive migration system.

In addition, emphasis should also be placed on promoting visa-ready jobs to global audiences to bolster Australia's appeal in the international labour market.

Impact and opportunities of migration on Australian communities

Irrespective of Australia's migration cap for 2024-25, addressing the pressing housing shortage remains paramount as housing and migration are intrinsically linked. In Western Australia, the Real Estate Institute of Western Australia highlights the need for a substantial increase in annual housing construction to ensure an adequate pipeline of supply to support future population growth. However, estimations by the Master Builders Association suggest at least 55,000 workers between February 2023 and November 2026 is required to meet housing demand in Western Australia alone – and this is a sector that is already crippled with trade shortages.

In addition to increasing the rate of housing completions, strategic planning, an efficient system of approvals, and the timely delivery of related social infrastructure, including education, health, transportation (roads, rail and air services), energy, telecommunications, water and other utilities and community facilities, are imperative to support both the existing and burgeoning population. While migration will put pressure on these areas, targeted migration programs, such as WA's residential skilled construction visa, can be used to address these critical areas of need. Further to this, the Government should be looking to develop a sustainable infrastructure spending program that facilitates a higher skilled migration program in the long term.

To address issues in the short to medium term however, one of our key recommendations to tackle the housing supply challenges is to make housing more efficient. We see reforming stamp duty on property transfers to a fairer, broad-based tax on the property's Gross Rental Value as a critical structural change necessary to deliver more efficient housing and better social outcomes. These dividends would be achieved by for example:

- making it easier for people to move closer to employment, family and schools, or for downsizing. In addition, with less commuting, there are benefits for the environment, and for business, there are benefits in having a more mobile workforce.
- lowering a key barrier to entering the regional housing market, helping to address concerns that currently exist with FIFO workforces and housing affordability.

In addition, encouraging the leasing of spare rooms is another mechanism to use existing housing stock more efficiently.

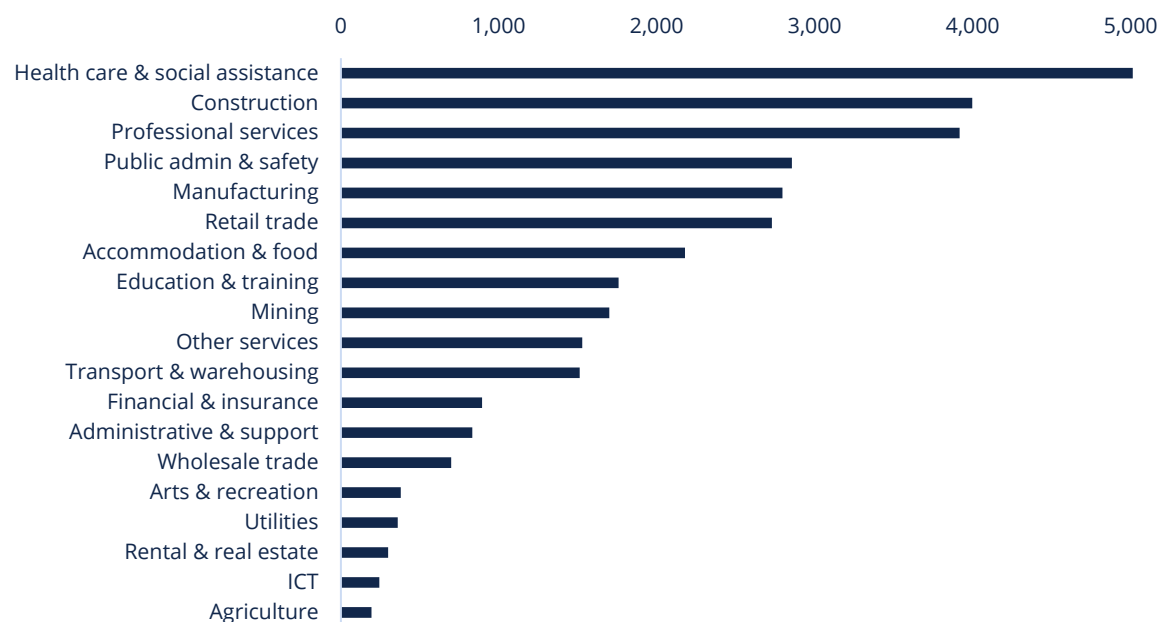
Western Australia's Migration Program

Western Australia 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 is tied with Queensland for reliance on temporary migrants. Finding ways to get more skilled migrants to Western Australia is therefore a top priority for our State.

At a State-level, for the 2024-25 program year, we propose a substantial increase in the State's skilled migration allocation, particularly after the significant 70 percent reduction seen this financial year. Western Australia relies heavily on skilled migration to bridge workforce gaps, with persistent skills shortages acting as a significant hurdle for local businesses and future economic growth, which underpins not only WA's but Australia's economic prosperity. Ensuring a comprehensive range of occupations and placements, including skill level 4 occupations, is critical to support the diverse needs of our State's labour market.

Health care & social assistance (eg: disability support workers), construction (eg: carpenters, electricians, boilermakers/fabricators) and professional services (eg: engineers) stand out as Western Australia's top industries (and occupations) consistently displaying the most online job vacancies over the past year (Figure 2). Addressing skill shortages in these sectors through permanent or temporary migration programs is essential for sustaining their growth and addressing employment gaps.

Figure 2: Internet job vacancies by sector in Western Australia



Concluding Remarks

To maximise the growth and diversification opportunities before us, Australia needs to be competitively positioned to attract skilled and semi-skilled migrants. Skilled migration is particularly pertinent for Western Australia, which is at the forefront of driving key growth opportunities that will underpin Australia's economic prosperity into the future.

Labour shortages remain a consistent challenge for businesses in Western Australia, particularly in areas of health and community services, construction and professional services. However, the acute shortage of housing is also increasingly problematic, particularly in regional areas of Western Australia. It is evident that an efficient and effective migration system needs to be accompanied by the timely delivery of housing, and other related social infrastructure, which requires a collaborative approach between all tiers of government, industry and financiers. Rather than trying to restrict our economic and job generating potential, we need to address these concerns by planning and managing this more efficiently and effectively.

Yours sincerely

A handwritten signature in black ink, appearing to be 'CR' followed by a horizontal line.

Chris Rodwell
Chief Executive Officer