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Chamber of Commerce  
and Industry WA

T: (08) 9365 7555

E: [membership@cciwa.com](mailto:membership@cciwa.com)

W: [www.cciwa.com](http://www.cciwa.com)

Professor Barney Glover AO  
Commissioner  
Jobs and Skills Australia  
Department of Employment and Workplace Relations  
GPO Box 9828  
Canberra ACT 2601

Via email: [coreskillslist@jobsandskills.gov.au](mailto:coreskillslist@jobsandskills.gov.au)

Dear Professor Glover

### **2024-25 Temporary Migration – Core Skills Occupation List consultation**

The Chamber of Commerce and Industry 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 Temporary Migration – Core Skills Occupation List (CSOL). In recognising the critical role that skilled migration plays in bolstering Western Australia's, and indeed our nation's, economic prosperity and social fabric, CCIWA is committed to providing meaningful input that aligns with the pressing needs of both the business community and the broader Western Australian community.

It is important to state from the outset that the migration system is no longer fit-for-purpose. It has become much harder for businesses to navigate Australia's migration system to the detriment of the economy and productivity. This is a particularly acute issue for Western Australian businesses operating in regional WA, which have experienced sustained local workforce challenges over the past decade.

CCIWA holds the view that building local capability as well as temporary skilled migration, with clearer pathways to permanency, are key to tackling Western Australia's unique workforce challenges. There is a clear need for workers, across ANZSCO skill levels 1-4 in particular, to meet current and future workforce needs.

In addition to encouraging our members to engage directly with this consultation process, CCIWA raises the following headline points.

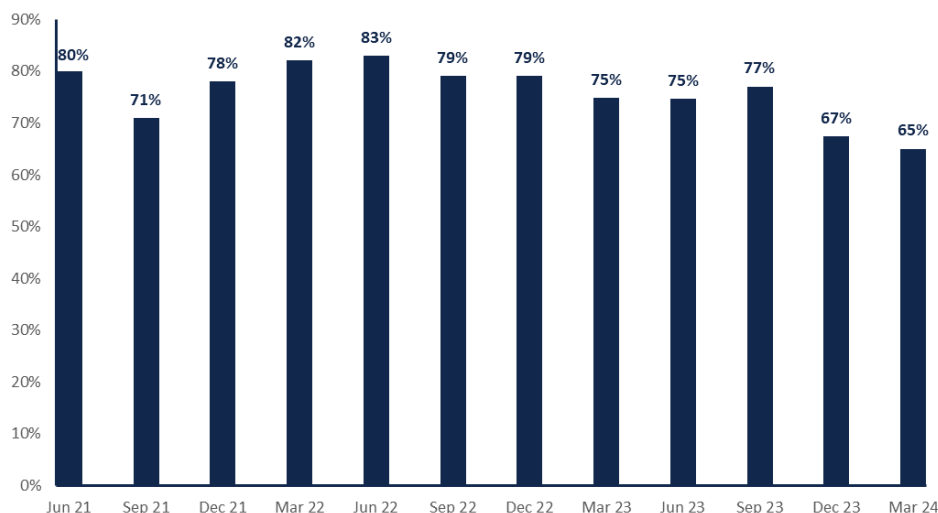
#### **Labour shortages across the economy continue to hamper business growth**

Western Australia is the undisputed powerhouse of the nation's economy. It should, therefore, come as no surprise that WA relies more heavily on skilled migration than any other State to meet labour demands that cannot be filled locally, especially, highly specialised skills. It is also the State most reliant on permanent migrants and is on par with Queensland for its reliance on temporary migrants. Finding ways to get more skilled migrants to Western Australia is understandably a top priority for our State.

For some time now, Western Australian businesses have reported persistent challenges with hiring skilled labour, making this a significant barrier to growth. Our most recent Business Confidence survey (March Quarter 2024), which provides the most comprehensive assessment of local business conditions in Western Australia, found that over 65 per cent of businesses

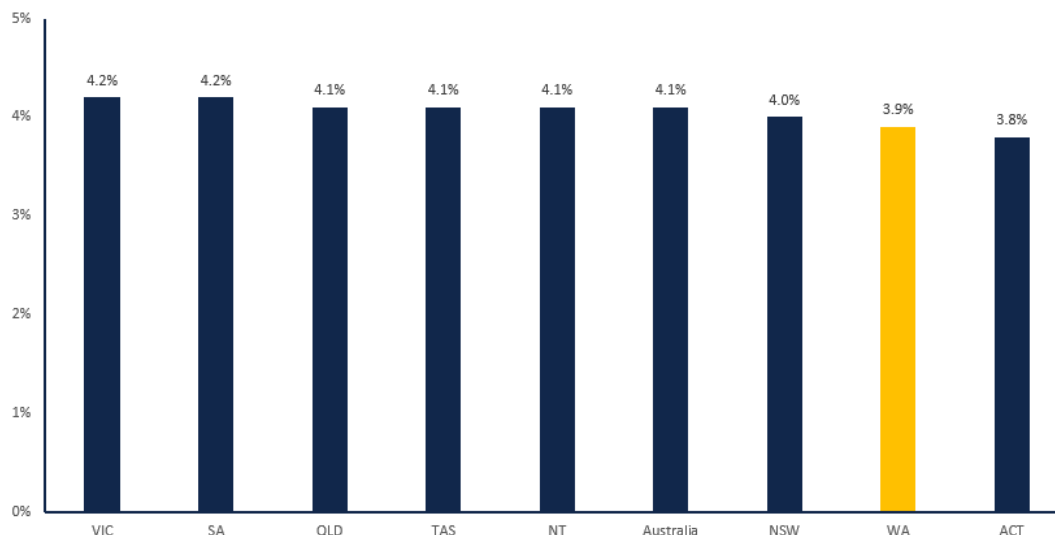
across Western Australia - or two in three businesses - are struggling to fill a position **[Figure 1]**. This is reflective of a very tight labour market, where there is abundance of opportunity, but few people to fill job vacancies.

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



In addition, WA’s unemployment rate is just 3.9%, which is the lowest unemployment rate of any State jurisdiction this quarter **[Figure 2]**. It is also substantially lower than the 10-year average of 5.3%. Similarly, underemployment, the percentage of people who have a job but want to be working more hours, currently sits at a very low 5.8% compared to the ten-year average of 8.1%. These figures underpin why skilled migration is so critically important to Western Australia.

**Figure 2: Comparison of State and Territory percentage unemployment for March 2024 quarter<sup>1</sup>**



While attracting skilled migrants is vital, particularly in high growth areas of the economy such as in supporting the energy transition, in building and residential construction, and in defence, the need for semi-skilled and low skilled workers is just as pressing. Lower-wage sectors like

<sup>1</sup> Australian Bureau of Statistics Labour Force data, March 2024

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 remain limited within our current migration system, which is predominately geared toward attracting higher-skilled and higher-wage occupations.

There are currently two key pathways which support temporary skilled workforces (predominately for lower skilled workforces), specifically, the Pacific Australia Labour Mobility (PALM) scheme and Designated Area Migration Agreements (DAMAs). These are both in high demand across Western Australia, reinforcing the acute workforce challenges regional businesses face. If we do not expand or increase the pathways available to secure workers at various skill levels, particularly levels 1-4, labour shortages will persist in geographic areas and across industries.

### **Tackling workforce challenges through temporary migration**

It is critically important that the migration system provides business with clarity and certainty, quicker processing times, and enables business to access to the skills they need to grow, diversify and be more productive. The new Core Skills Visa and associated List must be designed in such a way to meet these key objectives, but above all, it must be agile and responsive to address immediate and pressing skills shortages.

To this end, we do hold some concerns about the algorithm used to determine placement of some occupations, which appears to be predominately based on historical labour market analysis. As you would be aware, Australia is suffering a housing crisis, brought on by a range of supply side challenges, including critical labour shortages. Our Business Confidence survey has found access to housing is a key barrier to business growth, in the same way access to workers is for businesses.

To demonstrate the scale of this problem, the Master Builders Association estimates that the housing construction sector needs at least 55,000 additional workers between February 2023 and November 2026 to meet housing demand in Western Australia alone.<sup>2</sup> Given this, it is surprising that the proposed CSOL Confident On list does not include finishing trades, such as Wall and Floor tilers and Roof tilers. These finishing trades are critical to addressing Australia's sustained housing crisis.

In addition, while the Migration Strategy indicated that semi-skilled workers would also be able to apply for the Core Skills Visa, the draft CSOL Lists only focuses on ANZSCO skill levels 1-3. It is critically important that the migration system captures the largest number of occupations and placements as possible, including ANZSCO skill level 4 to ensure each State can continue to develop infrastructure to meet growing populations.

To this end, Australia's temporary skilled migration system needs to be adaptive and responsive to current and future workforce challenges, by considering not just labour market analysis, but also the broader economic environment.

With this in mind, CCIWA recommends the following:

- **The Core Skills List should be as broad as possible and refined over time:** eligibility for the Core Skills Visa should be as broad as possible, in the first instance, rather than exclusive to specific occupations. This would provide businesses with greater flexibility to grow and diversify their operations. There is a risk that, due to the CSOL being based on historical labour data, the Core Skills Visa and associated List will perpetuate existing

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<sup>2</sup> Master Builders Association Western Australia. [Media release: Master Builders welcomes State Government workforce support](#), April 2023

workforce shortages and will not be responsive to addressing current and future business needs.

- **Faster approvals processes:** efficient visa processing underpins Australia's ability to compete effectively for global labour. This includes allowing migrants to reapply for different visas when in Australia and clearer pathways to permanency when migrants are already in Australia.
- A temporary **suspension of labour market testing requirements** until Australia's unemployment rate is below the natural rate of unemployment.
- **Active promotion of visa-ready jobs to global audiences:** identifying target markets that match Australia's training and certifications, and proactively seeking workers from those markets to fill visa-ready jobs.
- **Allow occupations assessed as ANZSCO skill level 4 to be included in the Core Skills Visa List** to widen the pool of potential individuals applying for work from overseas. Semi-skilled workforces need to be considered as part of the final CSOL.

### Concluding Remarks

Temporary Skilled migration remains critical to addressing Australia's workforce needs, and the Federal Government has a key role in developing a system that enables Australia 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 prosperity into the future.

Labour shortages remain a persistent challenge for businesses in Western Australia, and this requires an adaptive and proactive approach to temporary skilled migration. Rather than trying to restrict WA's potential, the Federal Government needs to address these concerns by creating a responsive and agile migration system.

Yours sincerely

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

Chris Rodwell  
**Chief Executive Officer**