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# Submission to the Joint Standing Committee on Migration's Inquiry into Australia's Skilled Migration Program

March 2021



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Chamber of Commerce  
and Industry

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## Executive Summary

The Australian economy is on the mend from the impacts of the COVID pandemic with both business and consumer confidence picking up. Although business conditions have improved, there is no denying that the economy has experienced a two-speed recovery with some sectors bouncing back while others hang on for survival. Closure of Australia's international border and imposition of domestic border restrictions has resulted in some sectors of the economy suffering greatly.

The international border closure has also strangled migration resulting in critical labour and skill shortages across industries. Members of the Australian Chamber of Commerce and Industry, which include State and Territory Chambers of Commerce and over 80 industry associations, have rated the issue of skills shortage as a key priority of business in 2021.

This submission puts forward recommendations so that the Skilled Migration system can be improved to meet the skill needs of Australian business and contribute to Australia's economic recovery post pandemic. These recommendations will be critically important for the survival and recovery of business which have been impacted by international and domestic COVID restrictions such as those in the accommodation, hospitality, cafés and restaurant sectors. Businesses in these sectors will have an even longer path to recovery and require significant Government support and reform to aid in the recovery process, with skilled migration being a critical lever that the Government can utilise.

Australia also needs migration settings fit-for-purpose for the long term. Our skilled migration system particularly in the last few years has become overly complex and expensive. There are too many skills lists, and the reduction in the pathway to permanency for many skilled temporary migrants is a major drawback. Skill needs can arise in a wide range of businesses across Australia, across a variety of occupations. We need the migration program to be more responsive to those needs.

The Australian Chamber of Commerce and Industry's recommendations to improve Australia's Skilled Migration Program and aid business' economic recovery are as below:

**Recommendation 1: Visa Conditions and settings for current international students and working holidaymakers be changed to alleviate current labour shortages in specific regions and industries.**

**Recommendation 2: All skilled occupations to be accessed by Employer Sponsored Temporary and Permanent skilled migration programs.**

**Recommendation 3: Temporary Skills Shortage visa provide a pathway to permanency for all streams including the Short-Term Skilled Occupation List.**

**Recommendation 4: In the context of workforce planning and skilled migration, ACCI recommends the Federal Government commit to fund the ABS to ensure that regular reviews of the ANZSCO are incorporated into the ABS Forward Work Plan and that the intervals between reviews are in line with world best practice.**

**Recommendation 5: Labour Market Testing for the Temporary Skills Shortage visa program should be removed.**

**Recommendation 6: Alternatively, Labour Market Testing requirements for high-wage occupations and renewals should be eased.**

**Recommendation 7: Department of Home Affairs be adequately resourced to prioritise the processing of all employer sponsored applications within reasonable timeframes and that there is transparency in the process.**

**Recommendation 8: Skilling Australians Fund Migration Training Levy be halved, and in all cases where the application has not been successful, the training levy would be refunded.**

**Recommendation 9: Simplification of the Migration system should only be undertaken with widespread stakeholder consultation.**

**Recommendation 10: Reinstate the Industry Outreach Officers program within the Department of Home Affairs.**

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# 1 Introduction

The Australian Chamber of Commerce and Industry (ACCI) welcomes this opportunity to make a submission to the Joint Standing Committee on Migration's Inquiry into the Skilled Migration Program. We note that this submission must be considered in conjunction with the earlier submission by ACCI regarding terms of reference 1(a) and 2. This submission will therefore cover the Inquiry's terms of reference 1(b) and 3 through to 7.

## 1.1 Inquiry Terms of Reference

The Joint Standing Committee on Migration shall inquire into and report on Australia's skilled migration program, with reference to<sup>1</sup>:

1. The purpose of the skilled migration program and whether it is meeting its intended objectives, including
  - a. if any immediate adjustments are necessary in the context of the future of work and pandemic recovery, and
  - b. if more long-term structural changes are warranted;
2. Australia's international competitiveness in attracting entrepreneurs, venture capital, startups, and the best and brightest skilled migrants with cutting edge skills;
3. Skills lists and the extent to which they are meeting the needs of industries and businesses and keeping pace with Australia's job landscape;
4. The administrative requirements for Australian businesses seeking to sponsor skilled migrants, including requirements to prioritise job opportunities for Australians and job creation;
5. The costs of sponsorship to businesses seeking to sponsor skilled migrants;
6. The complexity of Australia's skilled migration program including the number of visa classes under the program and their requirements, safeguards and pathways; and
7. Any other related matters.

## 2 Response to the Interim Report

The Interim report on Australia's Skilled Migration program by the Joint Standing Committee on Migration, which was released on 18 March 2021<sup>2</sup> was in our view the best report of its kind on migration in a decade. ACCI believes that the Interim Report reflected the state of skill and labour shortages experienced by business and makes valuable recommendations necessary to support Australian business in this COVID recovery period.

Although time-constrained to produce an Interim report, ACCI applauds the thorough nature of the Committee's inquiry which invited a wide array of stakeholders, including a number of our members, to make submissions and provide evidence to support the case for skilled migrants ,

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<sup>1</sup> Joint Standing Committee on Migration, Inquiry into Australia's Skilled Migration Program, [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Migration/SkilledMigrationProgram/Terms\\_of\\_Reference](https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Migration/SkilledMigrationProgram/Terms_of_Reference).

<sup>2</sup> Joint Standing Committee on Migration, Interim Report on Inquiry into Australia's Skilled Migration Program, <https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024650/toc.pdf/InterimReportoftheInquiryintoAustralia'sSkilledMigrationProgram.pdf;fileType=application%2Fpdf>

especially employer sponsored migrants being critical to the recovery of the Australian economy. The recommendations made by the Committee are bold and reflect the current needs of the economy and business. ACCI is fully supportive of all the recommendations of the Interim report and implores the Government to implement them in their entirety.

For immediate action to alleviate the severe skills issues faced by business, ACCI recommends the Government fast track implementation of the following recommendations from the Committee's report.

- **Recommendation 1:** The Department of Home Affairs should streamline labour market testing to:
  - be less prescriptive about what constitutes labour market testing
  - only require Medium and Large businesses to conduct labour market testing;
  - require labour market testing for businesses headquartered outside Australia or businesses owned by someone who is not an Australian citizen;
  - remove the requirement for employers to advertise any occupations which are on the PMSOL or critical skills lists; and
  - remove the requirement for employers to advertise for all occupations classified as Skill Level 1 and 2 on the jobactive website.
- **Recommendation 2:** At least until the pandemic period is over, the Department of Education, Skills and Employment and the Department of Home Affairs remove the requirement for employers to pay the Skilling Australia Fund as part of the visa sponsorship process. If the levy is retained:
  - Consideration should be given to aligning the payment of the levy to the commencement of employment of the skilled migrant or guarantee a refund to the sponsor if the application is unsuccessful.
  - If the employer can demonstrate they have spent the same amount or more than the levy in the previous 12 months on training their Australian employees in skills relevant to their work for the employer, they should not be required to pay the Skilling Australia Fund levy.
  - The Federal Government should establish greater transparency over the State Governments' use of funds from the Skilling Australia Fund to skill Australians.
- **Recommendation 3:** The Department of Home Affairs be required to provide greater transparency on where employer sponsored visa applications are in the queue.
- **Recommendation 5:** The Priority Migration Skilled Occupation List be expanded urgently to include Chefs, Veterinarians, Café and Restaurant Managers and Seafarers.
- **Recommendation 6:** The Department of Home Affairs conduct an urgent review of the Priority Migration Skilled Occupation List, in consultation with relevant stakeholders, with a view to expanding the number of occupations to better reflect the urgent skills shortages in the context of the COVID-19 pandemic recovery. The Department should give particular consideration to civil engineers, electrical engineers, motor mechanics, cooks, carpenters, electricians and other roles in the hospitality, health, trades, agriculture and manufacturing sectors.
- **Recommendation 9:** The Department of Home Affairs improve visa processing times for employer-sponsored visas because of the labour market needs during the COVID-19

pandemic economic recovery; and expedite the processing times for skilled visa holders who have remained onshore in relevant employment seeking a subsequent skilled visa or permanent residency visa.

- **Recommendation 10:** The Committee recommends that all employer sponsored visa holders be given a clearer pathway to permanency.

### 3 Action needed on International Restart

With COVID vaccination underway in over 140 countries and territories, there is urgent need to finalise vaccine certification and re-evaluate the risk associated with arrivals going forward, especially since international travel will most likely be undertaken by vaccinated travellers. Special consideration needs to be given to the economically vital cohorts of skilled migrants, international students and working holiday makers who not only create jobs and sustain the education and tourism sectors but also provide much needed skilled and unskilled labour across our regions and cities.

ACCI fully supports the prioritisation of Australians returning home but suggests that action is needed above the current quarantine caps to facilitate the arrival of international students and a return of the working holiday maker cohorts. This requires collaboration between the Federal Government and States and Territories to manage and facilitate arrivals based on risk, such as international students and working holiday makers from low COVID risk countries who have been fully vaccinated.

**Recommendation 1: In the interim, until international travel resumes, ACCI recommends that visa settings and conditions for current international students and working holidaymakers be changed to alleviate current labour shortages in specific regions and industries.** Specifically:

- The cap on the number of working hours for current international students be temporarily removed. A student visa allows the holder to work up to 40 hours per fortnight once their program has commenced and is in session, and unrestricted hours when the program is not in session. This cap could be removed temporarily allowing the visa holder to work unrestricted hours when in session, targeted to specific regions/industries such as cafes, restaurants, hospitality and accommodation that are currently facing shortages.
- Working holidaymakers be allowed to work for the same employer for more than six months in specific regions/industries such as cafes, restaurants, hospitality and accommodation.

## 4 Skills Lists

### 4.1 Priority Migration Skilled Occupation List

With Australia's international borders still shut to the world (bar a few exemptions), it is vitally important to expand the Priority Migration Skilled Occupation List (PMSOL) to provide business

access to critical skills needed to rebuild the Australian economy. ACCI fully supports the Committee's recommendations (5 and 6) that PMSOL be urgently expanded to include Chefs, Veterinarians, Café and Restaurant Managers and Seafarers and consider expanding the number of occupations to better reflect the urgent skills shortages in the context of the COVID-19 pandemic recovery. **Appendix A** of our submission reflects a number of occupations that are in critical shortage in our economy with evidence provided by ACCI's members across industries, occupations and regions. Until international travel resumes, PMSOL is likely to be the only pathway that businesses can access skilled migrants.

## 4.2 Complexity of the Skills Occupation Lists

On 18 April 2017, the Government announced reforms to Australia's temporary and permanent skilled visa programs including scrapping the subclass 457 visa and introducing the Temporary Skills Shortage (TSS) visa (subclass 482). Although, ACCI supported the replacement of the 457 visa as an opportunity to "reset" the programme and restore public confidence, the business community needed to work with the Government to ensure that it remains a valuable and accessible tool to fill short-term gaps through responsiveness and sensible regulation. The changes made in 2017 were however without business consultation and resulted in major constriction to the program, with changes to the occupation lists having the most significant negative impact on many businesses. The new TSS visas entail tighter eligibility criteria and higher costs compared to the previous subclass 457 visa. The TSS visa comprises of a short-term, a medium to long-term and a labour agreement stream.

- The short-term stream of the TSS visa is for employers to fill temporary skills and labour needs with temporary migrants, in occupations determined to be on the Short-Term Skilled Occupation List (STSOL) for a maximum of two years (or four years if an international trade obligation (ITO) applies).
- The medium-term stream of the TSS visa is for employers to fill skills needs with migrants, in occupations determined to be on the Medium and Long-term Strategic Skills List (MLTSSL) or the Regional Occupation List (ROL) for up to four years, with the provision of permanent residency after three years.
- The labour agreement stream is for employers to access migrants who are not catered for in the above two streams, in accordance with a labour agreement as negotiated with the Department of Home Affairs.

ACCI does not support the removal of more than one-third of the skilled occupations from the temporary skilled visa system nor does it support the division of the temporary skilled visas into two streams and removing a pathway to permanency from a large percentage of occupations. Prior to the 2017 changes all skilled occupations on the consolidated sponsored occupations list (CSOL) were eligible for employer nominated skilled migration, whereas now<sup>3</sup>:

- 215 occupations are on the STSOL available for the TSS short-term stream and have no pathway to permanent migration

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<sup>3</sup> Federal Register of Legislations, Migration (LIN 19/048: Specification of Occupations—Subclass 482 Visa) Instrument 2019, <https://www.legislation.gov.au/Details/F2019L00274>.

- 77 occupations on the ROL available for the TSS medium-term stream in regional areas
- 216 occupations on the MLTSSL available for the TSS medium-term stream<sup>4</sup>

These changes removed:

- Responsiveness in the system that allowed for employers to satisfy their skill needs – needs that are real even though they may not show up on a national assessment of skill shortages. There is no harm in occupations being on the list that were seldom used (except if there are integrity concerns around certain occupations) so their removal is a cosmetic change for “PR” purposes. However, there is harm if a specialist business cannot approach the system to satisfy a niche skilled worker when their business desperately needs it;
- Pathway to permanency for many occupations which was a fundamental strength of the system. Employer nomination visas are the most effective for migration as the employment outcomes are the highest of all categories. As one of the country’s leading demographers, Peter McDonald states – (this) “two-step process is very effective because of the guaranteed employment of the migrant as opposed to the potentially long job search that needs to be undertaken by an independent skilled applicant”<sup>5</sup>.

The changes have also increased the complexity in the system, by creating confusion around multiple occupation lists. A much better approach would have been to retain the CSOL, which was by-and-large a list of all skilled occupations on the Australian and New Zealand Standard Classification of Occupations (ANZSCO), as the basis for temporary and employer nominated permanent migration. With this approach integrity issues can be dealt with on an occupation basis through caveats rather than by national skills analysis. For example, if a particular occupation was shown by analysis to be the subject of integrity concerns, then a limitation could have been introduced, such as the removal of a pathway to permanency or a shorter term of visa for that one occupation. This would be in line with the recommendations of the 2014 457 Visa Integrity Review Panel’s recommendations. The panel recommended specifically that all skilled occupations remain accessible to temporary skilled migration<sup>6</sup>.

The pathways to transition from temporary skilled to permanent are vital since this two-step migration process allows for those most likely to succeed in integrating fully into Australia. Temporary skilled migrants are already pre-integrated into our labour force and have established social connections into the community. Over the period 2010-11 to 2013-14, holders of 457 temporary visas represented two-thirds of all employer-sponsored permanent visa grants, providing great outcomes for migrants and employers alike<sup>7</sup>.

The 2017 changes also do not reflect the strong difference in employment outcomes between independent skilled migrants and employer sponsored migrants. The MLTSSL now applies equally to both migration streams, with no pathways to permanency for other occupations, apart from specific issues relating to regional lists. Employer sponsored migrants have consistently delivered positive labour market outcomes. This can largely be attributed to having a proven skill set, employment available upon arrival and a relationship with an individual connected to the

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<sup>4</sup> Information as of 30 March 2021

<sup>5</sup> McDonald, Peter 2016, “Ageing in Australia: Population changes and responses”, Population Ageing and Australia’s Future, ANU Press, pp.65-83.

<sup>6</sup> Azarias, J et al 2014, Robust New Foundations: A Streamlined, Transparent and Responsive System for the 457 Programme, Commonwealth of Australia.

<sup>7</sup> OECD 2018, Recruiting Immigrant Workers: Australia, [https://read.oecd-ilibrary.org/social-issues-migration-health/recruiting-immigrant-workers-australia-2018\\_9789264288287-en#page28](https://read.oecd-ilibrary.org/social-issues-migration-health/recruiting-immigrant-workers-australia-2018_9789264288287-en#page28) g

community. The Continuous Survey of Australia's Migrants – Cohort 6 Report<sup>8</sup> reflects that 94 percent of employer sponsored migrants were in paid employment compared to 82 percent of offshore independent category (figure 1). This is due to migrants having a job waiting for them on arrival and not having to spend time looking for a job.

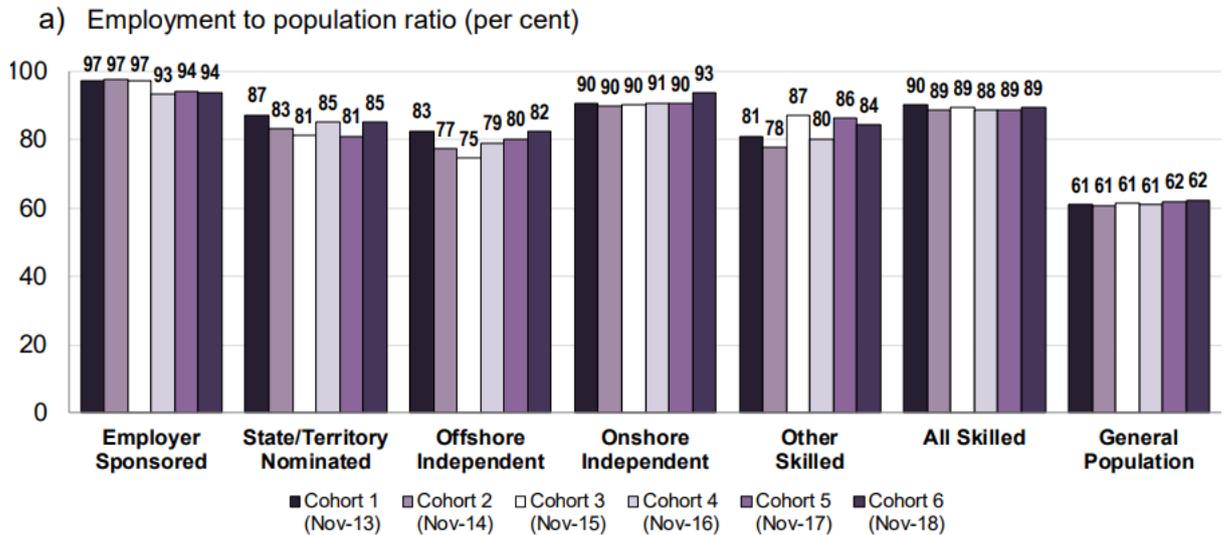


Figure 1: Comparison of Employment between survey cohorts (primary applicants) and the Australian general population, by settlement period<sup>9</sup>

**Recommendation 2: ACCI recommends that the process of determining skill shortages and allocating occupations to lists be simplified by abolishing multiple lists and allowing for all skilled occupations to be accessed by Employer Sponsored Temporary and Permanent skilled migration programs with the National Skills Commission analysing skill shortages in the economy for the Independent Stream.**

### 4.3 Hierarchy of Occupation Lists

The creation of multiple occupation lists has resulted in an informal hierarchy of lists.

- The MLTSSL is the best list for an occupation since it provides access to skilled migrants under the medium-term stream of the TSS. It is open to all employers (regional and urban) and the skilled migrant can stay for up to four years with a pathway to permanent residence after three years.
- The ROL is the next best list for an occupation since it provides access only to regional employers but has a pathway to permanency for the migrant.
- The STSOL is the least favourable list for an occupation since it only provides access to skilled migrants under the short-term stream of the TSS. It is open to all employers

<sup>8</sup> Department of Home Affairs 2020, Continuous Survey of Australia's Migrants – Cohort 6 Report – Introductory Survey 2018, <<https://www.homeaffairs.gov.au/research-and-stats/files/csam-cohort6-report-introductory-survey-2018.pdf>>.

<sup>9</sup> Ibid Department of Home Affairs 2020, Continuous Survey of Australia's Migrants – Cohort 6 Report – Introductory Survey 2018, <<https://www.homeaffairs.gov.au/research-and-stats/files/csam-cohort6-report-introductory-survey-2018.pdf>>.

(regional and urban) with a maximum stay of two years (four years if an International Trade Obligation applies) with no pathway to permanency.

This STSOL limitation concerns business since prospective talent find the limitation of two years with no pathway to permanency unattractive and do not see it as worthwhile to make the move for the period. Time spent living and working in Australia before applying for permanent residency can provide benefits for both the migrant and current or prospective employers. For this reason, ACCI has been a consistent supporter of temporary skilled migration being a legitimate and useful pathway to permanency. This support does not suggest that the only pathway to permanency should be through a provisional or temporary visa. Moving to a new country is a substantial step and for many valuable migrants' countries offering reliable pathways to permanence may be more attractive than Australia where they are limited to two years on the short term TSS visa. Often this depends on the stage of life of the intending migrant, and the potential impact on any partner or family. ACCI fully supports the Committee's recommendation that all employer sponsored visa holders be given a clearer pathway to permanency (Interim Report, Committee Recommendation 10).

**Recommendation 3: ACCI recommends that the TSS visa provide a pathway to permanency for all streams including the STSOL.**

## 4.4 National Assessment of Skills Shortage

The STSOL, MLTSSL and ROL are products of a national skills shortage assessment undertaken by the National Skills Commission (NSC). Any occupation deemed to be in shortage features on these lists, reviewed periodically by the NSC. This review was initially a bi-annual process undertaken by the Department of Education, Skills and Employment (previously Department of Employment) and was then moved to an annual process. This process was moved to the NSC upon its creation and since the onset of the pandemic, review and update of the lists has not taken place. ACCI fully supports the Committee's recommendation that the STSOL, MLTSSL and the ROL be reviewed as soon as practicable to ensure that the lists most accurately reflect Australia's employment challenges as the economy emerges from the COVID-19 pandemic (Committee Recommendation 7).

Accurately identifying labour market needs across the country is a vital exercise that needs to be undertaken in the broader context of developing skills in the economy. However, skills shortage assessment for employer sponsored skilled migration (temporary and permanent) is inadequate to identify all skill needs experienced by business across the country. The shortages experienced by an individual business, in a particular location, at a particular point in time, cannot be identified by a national assessment or data set on skills shortages, even if a rich and diverse data set capable of constantly adapting to capture market conditions was available. Skill shortages and recruitment difficulties exist at the national level and within states and territories. Within states and territories, there can be shortages between metropolitan areas and regional areas<sup>10</sup>. They can exist locally but not show up regionally or nationally.

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<sup>10</sup> OECD 2018, Recruiting Immigrant Workers: Australia, [https://read.oecd-ilibrary.org/social-issues-migration-health/recruiting-immigrant-workers-australia-2018\\_9789264288287-en#page40](https://read.oecd-ilibrary.org/social-issues-migration-health/recruiting-immigrant-workers-australia-2018_9789264288287-en#page40)

There are specialisations in occupations that an analysis of an occupation cannot possibly be able to accurately identify. This makes a profound difference to an assessment that the skills being sought are in shortage. For example, putting aside definitional issues around cooks and chefs, the issue of assessing specialisation in occupations is effectively illustrated, since skills within these occupations are not readily transferable across cuisine specialisations. Can a Chinese chef cook Italian food? How many Mongolian, Peruvian or Japanese Chefs does Australia need? Can a cutting edge, trendy Asian/Australian fusion restaurant offering main courses at over \$40 a unit pick from the broad field of chefs?

In other occupations and industries, new technology being introduced can often mean that specialists are needed to operate the machines and train others. A macro level nationwide data analysis cannot possibly identify these nuances. This is true even for regional skills needs where regional data sets are sparse and often inadequate to aid in constructing an accurate picture of various regional skills needs. In such instances, the business is left with no option but turn to migration options, which is a long protracted and complicated process, especially for a small business.

## 4.5 ANZSCO

One of the pillars of labour market statistical infrastructure is the ANZSCO. This infrastructure maintained by the Australian Bureau of Statistics (ABS) includes information from the Census and underpins a wide range of labour market data such as job outlook information and occupation lists that determine migration eligibility.

Despite major changes to the economy and jobs, including new jobs driven by technology as well as changes to the level of skill needed in certain jobs, ANZSCO has only been reviewed and revised twice (2009 and 2013) since its introduction in 2006 (having transitioned from the previous ASCO codes). Canada, which has a similar classification of occupations, has had regular revisions with a structural review scheduled every ten years (2001, 2006, 2011, and 2016). A major review of ANZSCO is long overdue. Occupations in ANZSCO are out of date in that skill levels are not reflective of the current work performed and for many industries it is woefully inadequate in assessing the skill needs in the context of new occupations.

It is our understanding from the ABS that the major review of ANZSCO is now underway. This needs to be formally confirmed, and a clear timetable for the review and consultation needs to be published. It is also essential that the Government and ABS put in place an ongoing process that results in regular reviews beyond this 2021-22 process.

All occupations are experiencing technological progress and the nature of work and job roles are constantly changing. ANZSCO not only needs to identify new jobs, but it also needs to regularly appraise the duties within their job and assign or adjust an appropriate skill level. An out of date ANZSCO denies fair access to important migration programs and unreasonably complicates the regulation of the program due to the need for work-around style caveats in order to meet business' needs. Regular review of major statistical infrastructure such as the ANZSCO needs to be built into the normal operating budget of the ABS.

**Recommendation 4:** In the context of workforce planning and skilled migration, ACCI recommends the Federal Government commit to fund the ABS to ensure that regular reviews of the ANZSCO are incorporated into the ABS Forward Work Plan and that the intervals between reviews are in line with world best practice.

## 5 Administrative Requirements

### 5.1 Labour Market Testing

It is common ground that where Australians with the relevant skills are available, they should fill job vacancies. Employers face many existing barriers when using the highly regulated and expensive skilled migration program and these barriers are already a very strong incentive for employers to employ Australian workers as a first priority. Sponsoring a migrant is costly – in fees and levies, as well as being time-consuming. The TSS requires numerous compliance requirements that a migrant must meet to be eligible for a temporary skilled visa.

- **Health and Character:** The migrant must meet specified health and character requirements at their cost, which entails passing health assessments and obtaining police certificates.
- **English language:** The migrant must provide evidence of requisite English language skills through sitting an English language exam such as the IELTS with a minimum score of 5.
- **Skills assessment and Experience:** The migrant must provide evidence that they have the necessary skills, qualifications and employment background to perform the nominated occupation having worked in a relevant occupation for at least two years.
- **Minimum Salary:** The employer must pay the migrant according to the Temporary Skilled Migration Income Threshold (TSMIT), currently \$53,900, which is no lesser than the minimum wages paid to an Australian.
- **Perform Approved work:** The migrant must be working directly for the sponsor or for an associated entity of the sponsor, unless the nominated occupation is exempt from this requirement<sup>11</sup>.

On top of these barriers, the laws have strengthened in the last few years to require labour market testing (LMT), which is an obligation on employers to advertise and report results before hiring a temporary skilled migrant. It does not add much value to achieving the recruitment of Australians first (it is likely that numerous attempts to recruit Australians were made before reaching out to a migrant), but it significantly adds to the red tape burden. Commencing 1 October 2020, it was mandated to also advertise on JobActive as part of the LMT process. It must be noted that the skill sets of those on the JobActive platform and those of the long-term unemployed are generally different to the skill sets and experience levels of skilled migrants nominated by an employer to fill a skills gap in their business. Therefore, public perception that the unemployed on JobActive could easily fill vacancies that are ultimately having to be filled by skilled migrants is a flawed one.

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<sup>11</sup> Department of Home Affairs, <https://archive.homeaffairs.gov.au/trav/visa-1/482->

**Recommendation 5: ACCI recommends that based on the lack of evidence of its effectiveness and due to the high regulatory burden, labour market testing for the TSS visa program should be removed.**

Alternatively, there is scope to reduce the complexity of administrative procedures without compromising on compliance, by easing LMT for high-wage occupations and renewals. OECD countries have taken steps to reduce the regulatory burden for businesses seeking to fill skills shortage by removing LMT requirements<sup>12</sup>.

- Labour migrants in Germany with an employment contract or job offer no longer need to undergo LMT to work in occupations with labour shortage.
- In New Zealand, LMT will be removed for high-paid jobs outside the five main cities.
- In the United Kingdom, jobs on the Shortage Occupation List are exempt from LMT and are not subject to numerical caps.

**Recommendation 6: ACCI recommends reducing the regulatory burden on business by easing LMT requirements for high-wage occupations and renewals.**

In recognition that LMT can be seen as an enabler for public confidence in the migration program, as an alternative to the above recommendations at least for the short to medium term, ACCI fully supports the Committee's recommendation 1, that the Department of Home Affairs should streamline labour market testing to:

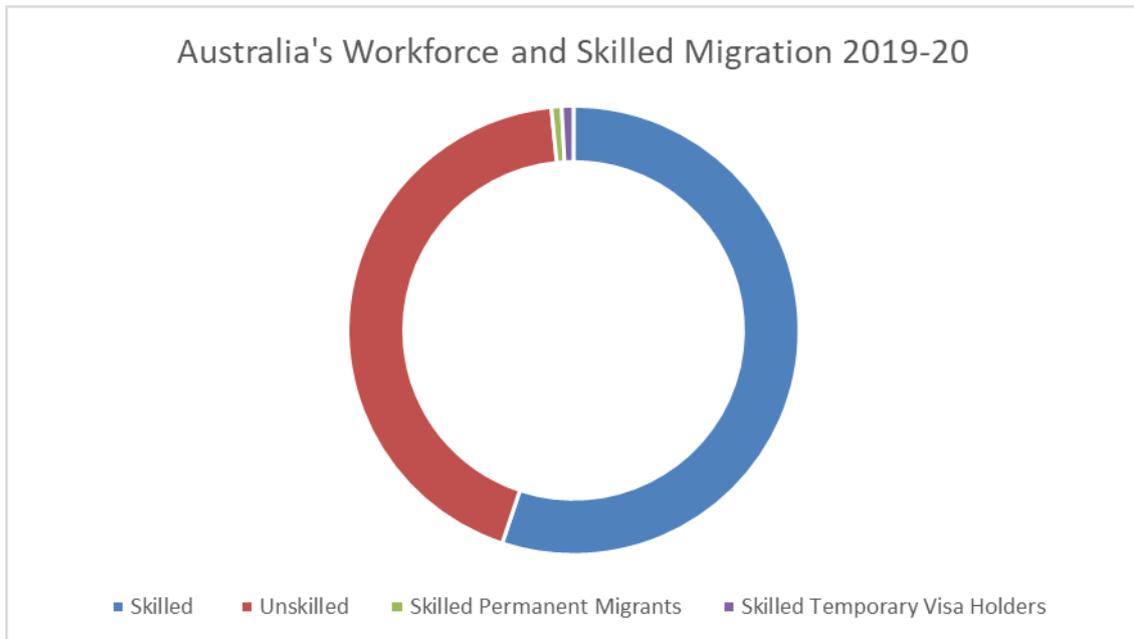
- be less prescriptive about what constitutes labour market testing
- only require Medium and Large businesses to conduct labour market testing;
- require labour market testing for businesses headquartered outside Australia or businesses owned by someone who is not an Australian citizen;
- remove the requirement for employers to advertise any occupations which are on the PMSOL or critical skills lists; and
- remove the requirement for employers to advertise for all occupations classified as Skill Level 1 and 2 on the jobactive website.

## 5.2 Job Creation

Each year the number of skilled migrants is only a very small percentage of the labour force – 1.6 percent of the total labour force in 2019-20. It is highly unlikely that there was any negative impact on jobs across the economy, but it makes an enormous positive contribution to business where their skills are desperately needed. These skilled migrants also provide opportunities to further enhance and develop the skills of Australians working in that business, strengthening both the quality and skills of our local workforce.

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<sup>12</sup> OECD 2020, International Migration Outlook 2020, <https://www.oecd-ilibrary.org/sites/ec98f531-en/1/3/4/13/index.html?itemId=/content/publication/ec98f531-en&csp=6cecdc0fb3b3828a41a7f738372ed214&itemGO=oeed&itemContentType=book>.



**Figure 2:** Proportion of Skilled Migrants to Australian Workforce 2019-20<sup>13</sup>

Migrants lift the educational attainment of the Australian population and lead to better research and development through enhanced productivity, innovation and accumulation of human capital<sup>14</sup>. Skilled migrants are a resource in training as they transfer their highly valuable skills to the local workforce as well as fill skills gaps. As figure 3 reflects, 73 percent of Employer Sponsored migrants were highly skilled while 68 percent of all skilled migrants were in highly skilled jobs.

<sup>13</sup> ACCI analysis using the 2019-20 Skilled Permanent and Temporary Migration Outcome and ABS December 2020 Labour Force Statistics.

<sup>14</sup> Productivity Commission 2016, [Migrant Intake into Australia, Overview and Recommendations](#), p. 3

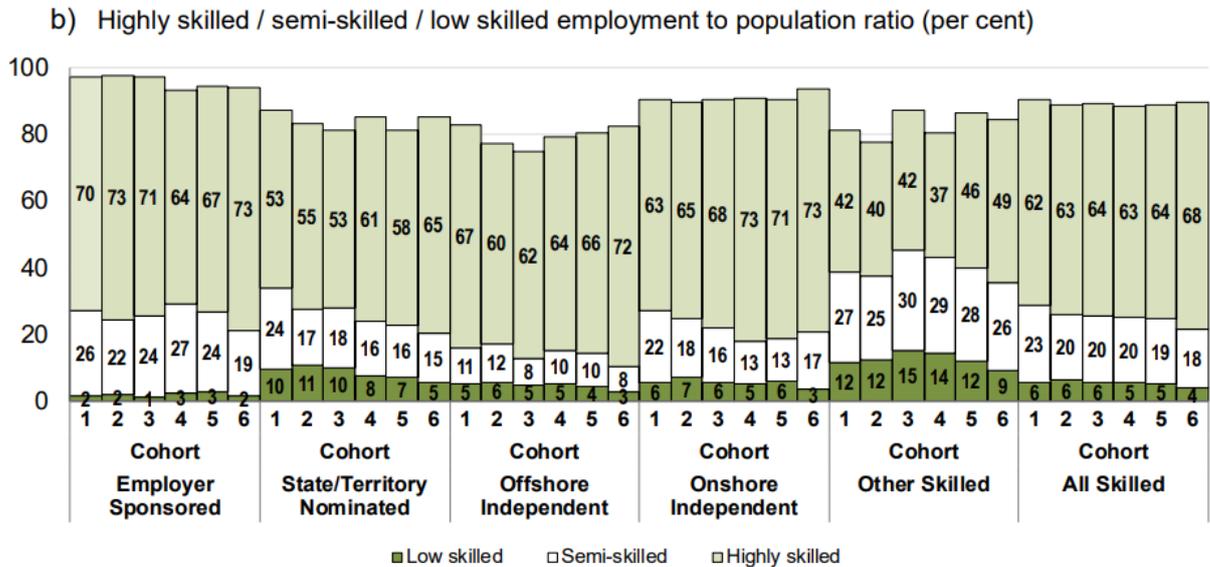


Figure 2: Comparison of Skilled Employment between survey cohorts (primary applicants) and the Australian general population, by settlement period<sup>15</sup>

With temporary and permanent migration curtailed, many businesses are finding it increasingly difficult to recruit the skilled workforce they need, in the location and time that they need it. Businesses report that skills shortages is one of their greatest concerns<sup>16</sup>. According to our member, the Chamber of Commerce and Industry WA's Business Confidence Survey for the March Quarter 2021, more than half (54 percent) of WA businesses indicated they are struggling to fill at least one skilled occupation and three out of ten (31 percent) businesses identified skilled labour shortages as the largest barrier to growing their business. The resources, professional and manufacturing sectors were more likely to report skills shortages as a barrier. Almost one out of two (45 percent) WA businesses indicated that they plan to expand their workforce over the next three months. It is therefore more likely that by filling the critical skills need, that skilled migrants keep Australian businesses alive by promoting stability and train up the local workforce rather than take local jobs away.

## 6 Cost of Sponsorship

### 6.1 Processing Delays and Application Cost

Prior to Australia's international border closure, delays in the processing of applications and high application costs severely impacted the responsiveness and flexibility of the system to meet the immediate labour needs of business. In the current restricted environment, processing times for

<sup>15</sup> Department of Home Affairs 2020, Continuous Survey of Australia's Migrants – Cohort 6 Report – Introductory Survey 2018, <<https://www.homeaffairs.gov.au/research-and-stats/files/csam-cohort6-report-introductory-survey-2018.pdf>>.

<sup>16</sup> Chamber of Commerce and Industry WA 2021, <https://cciwa.com/wp-content/uploads/2021/03/0321-business-confidence.pdf>

applications have ballooned compared to January 2020 (pre-pandemic). The added layer of LMT and other compliance requirements has increased the time it takes to put in an application. Visa application fees are high in Australia by OECD standards<sup>17</sup>.

Stream	Application Cost	Current Processing Times (30 March 2021)	Comparative Processing Times (28 January 2020)
TSS (short-term stream)	From \$1,265	75% of applications in 8 months <sup>18</sup> 90% of applications in 11 months	75% of applications in 41 days 90% of applications in 70 days
TSS (medium-term stream)	From \$2,645	75% of applications in 5 months <sup>19</sup> 90% of applications in 11 months	75% of applications in 36 days 90% of applications in 55 days
Labour Agreement Stream	From \$2,645	75% of applications in 3 months <sup>20</sup> 90% of applications in 6 months	75% of applications in 34 days 90% of applications in 54 days

Prior to COVID, processing delays were exacerbated if applications were not regional, or related to the Designated Area Migration Agreements or the Global Talent Scheme. In other words, the Department prioritised processing applications under these newer programs. This creates inequity across sponsors. In the interests of fairness, processing should revert to being primarily driven by receipt of application.

**Recommendation 7: ACCI recommends that the Department of Home Affairs be adequately resourced to prioritise the processing of all employer sponsored applications within reasonable timeframes and that there is transparency in the process.**

ACCI fully supports the Committee's recommendation (3) that the Department of Home Affairs be required to provide greater transparency on where employer sponsored visa applications are in the queue.

## 6.2 Skilling Australians Fund (SAF) Migration Training Levy

ACCI does not support the direct connection between the SAF migration training levy and the Skilling Australians Fund National Partnership Agreement for apprenticeships. This has created unnecessary complexity around the convoluted funding arrangement at both ends.

The quantum of the SAF levy is a major issue for business. The quantum of the levy is excessive and surpasses what was recommended by the 457-programme integrity review<sup>21</sup>. Adding to this is the upfront nature of the levy and inadequate refund policy, which is proving to be a huge burden for small business. Similar to representations made in our 2019-20 Pre-budget submission, ACCI

<sup>17</sup> OECD 2018, Recruiting Immigrant Workers: Australia

<sup>18</sup> Department of Home Affairs 2021, <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-skill-shortage-482>.

<sup>19</sup> Department of Home Affairs 2021, <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-skill-shortage-482>.

<sup>20</sup> Department of Home Affairs 2021, <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-skill-shortage-482>.

<sup>21</sup> Azarias, J et al 2014, Robust New Foundations: A Streamlined, Transparent and Responsive System for the 457 Programme, Commonwealth of Australia.

recommends the levy be halved to \$600 per year for small business and \$900 for large business for each sponsored temporary migrant instead of the current fees which are:

Stream	Small Business (annual turnover less than \$10 million)	Large Business (annual turnover more than \$10 million)
TSS (short-term stream for 2 years )	\$2,400	\$3,600
TSS (medium-term stream up to 4 years)	\$4,800	\$7,200

Under the previous training benchmarks, there was an option for employers to demonstrate that they invested in training by proving that they spent equivalent of 1% of payroll (benchmark) or more on training. We support this avenue of demonstrating a commitment to training and that in these circumstances an additional levy is not payable.

In addition, it is a significant concern that the levy is payable upfront for the full duration of the visa with a refund available only in limited circumstances<sup>22</sup>:

- Where the migrant fails the health or character checks
- The sponsorship and visa applications are approved but the migrant does not arrive or commence employment
- The visa holder leaves the sponsoring employer within the first 12 months of employment where the visa period was for more than 12 months (refund is only given for unused full years)
- The nomination fee is refunded

**Recommendation 8: ACCI recommends that the training levy be halved, and that the ability to access refunds should be extended to ensure that in all cases where the application has not been successful, the training levy would be refunded.**

ACCI fully supports the Committee's recommendation that at least until the pandemic period is over, the Department of Education, Skills and Employment and the Department of Home Affairs remove the requirement for employers to pay the Skilling Australia Fund as part of the visa sponsorship process (Recommendation 2). ACCI also supports the alternative that if the levy is retained:

- Consideration should be given to aligning the payment of the levy to the commencement of employment of the skilled migrant or guarantee a refund to the sponsor if the application is unsuccessful.
- If the employer can demonstrate they have spent the same amount or more than the levy in the previous 12 months on training their Australian employees in skills relevant to their work for the employer, they should not be required to pay the Skilling Australia Fund levy.

<sup>22</sup> Department of Home Affairs 2018, <https://immi.homeaffairs.gov.au/visas/employing-and-sponsoring-someone/sponsoring-workers/learn-about-sponsoring/cost-of-sponsoring>

- The Federal Government should establish greater transparency over the State Governments' use of funds from the Skilling Australia Fund to skill Australians.

## 7 Complexity of the Skilled Migration Program

A responsive, affordable and agile visa system is critically important and ACCI acknowledges that the current visa system is complex and at times difficult to navigate. In 2017, the Department of Home Affairs (previously Department of Immigration and Border Protection) published a policy paper - 'Visa Simplification - Transforming Australia's Visa System', proposing to cut down the number of visas to ten. Although this review has not been taken forward, ACCI is supportive of the ambition of reducing the number of visas and a concurrent reduction in complexity. The issue for business will be whether the gains of simplification outweigh the costs.

Key factors to consider in simplification include:

- improving or at least not diminishing responsiveness to needs
- improving accessibility, including increasing affordability
- not transferring complexity within visa classes and subclasses
- reduces complexity and increases efficiency of processing
- that it complementary to streamlining of processing that is designed to reward reliable, low risk users

**Recommendation 9: ACCI recommends that there is scope to simplify the migration system, but a simplification process should only be undertaken with widespread stakeholder consultation.**

### 7.1 Industry Outreach Officers Program

With the introduction of new programs such as the Global Talent Employer Sponsored program, the appointment of a Special Envoy for Global Business and Talent Attraction, frequent changes to the standard employer sponsored migration program, including the new regional visas, labour agreements and the temporary skills shortage visa, employers are finding it hard to understand the process, eligibility and suitability of these various offerings. The complexity of these programs acts as a significant deterrent to businesses accessing the migration program, often at the cost of losing skills essential for their business and limiting growth and other job opportunities. There is a role for the Department of Home Affairs to provide information and assistance to industries, especially those experiencing significant skills shortages, so employers are aware of changes to the migration system and the application process.

The Industry Outreach Officers Program, which was discontinued in 2014, was a highly regarded and valuable program that attached experienced migration professionals from the Department to industry employer bodies. The program assisted employers to navigate the system, understand

and overcome the barriers, and provided guidance to ensure business are aware of their obligations and requirements as a sponsor. The program also helped to build trust and an on-going relationship between industry and the Department. Given the increased complexity in the system, the program will be even more valuable than before.

**Recommendation 10: ACCI recommends reinstating the Industry Outreach Officers program within the Department of Home Affairs to support industry and business to navigate the increasingly complex employer nominated migration landscape.**

## 8 About the Australian Chamber

The Australian Chamber represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

The Australian Chamber strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth and jobs.

We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.



### About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country, making us Australia's most representative business organisation.

This submission also incorporates the views of **Australian Chamber – Tourism** which is an active committee of members operating within our organisation.

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# OUR MEMBERS



## STATE AND TERRITORY CHAMBERS



## INDUSTRY ASSOCIATIONS



## Skills Shortages as reported by ACCI Members

1. **Pharmacy Guild of Australia report Pharmacy technicians (ANZSCO Code 311125) and Pharmacy Assistants (ANZSCO Code 621411) in shortage.**

Community Pharmacies are facing chronic workforce shortages and skilled migration is a valuable solution used to address community pharmacy workforce shortages. The employment of overseas pharmacists is an option for community pharmacies to explore when they have exhausted all efforts to recruit from the domestic market. This is depending on migrant pharmacists being eligible for a relevant visa class, in addition to the professional requirements to be registered with the Pharmacy Board. Pharmacy technicians may also be eligible, however Pharmacy Assistants are not an eligible profession for skilled migration. The Guild has been advocating for pharmacists to be included on the Medium – Long Term Skills Shortage List, however the process for the review of these lists has been suspended due to COVID-19 and border closures. The national labour market ratings for 2020 has not been conducted or released by the Department of Education, Skills and Employment. Internal Guild supply and demand modelling conducted in January 2020 indicates there will be a workforce shortage of 1,786 by 2028. This does not consider the impacts of the pandemic on the profession, including fatigue and stress, due to being on the frontline during COVID-19, with little respite due to workload, border closures, anxiety regarding individual health and safety, as well as dealing with angry and abusive consumers (due to medicine shortages, or supply restrictions). There is a very real threat of movement out of the profession by pharmacists affected by these issues, therefore amplifying, and expediting the forecast shortages. Additionally, Government support is required to fully utilise the skills of Overseas Trained Pharmacists (OTP) working in rural and remote areas and to assist pharmacies and pharmacist supervisors to provide the requisite experiential learning to bring them up to registration standard. OTPs who have no residency status are unable to be considered for any of the Rural Pharmacy Intern Programs and many struggle to obtain an internship. Successful completion of internship is a requirement for OTPs from areas including the Middle East, India and Africa.

2. **Restaurant and Catering Australia report Chefs (ANZSCO Code 351311), Cooks (ANZSCO Code 351411), Accommodation and Hospitality Managers (ANZSCO Code 141999), Café and Restaurant Managers (ANZSCO Code 141111) in shortage.**

A large percentage of the 3097 Restaurant, Café & Catering businesses with \$2 million in revenue or higher, require staff with world class educations and skills in the hospitality industry, relying on highly skilled migrants to fill the top management and trade waiter positions in their venues. As TAFE & VET enrolments for hospitality and events management have dropped for years, Australia does not have the professionals with the skills and experience base needed to rebuild the Restaurant, Catering and Accommodation segment of the industry.

The Queensland Tourism Industry Council (QTIC) has also independently reported the above occupations in shortage across its membership<sup>1</sup>.

3. **Consulting Surveyors Australia report Surveyor (ANZSCO Code 232212) in shortage.**

The investment in infrastructure and the property and construction sector has caused significant increase in workload for surveyors around the country. While it takes about seven years to turn out a qualified, capable surveyor, firms who have an immediate need are unable to import skills. The VET system is also letting the industry down with Queensland cancelling the courses in surveying and spatial information most recently. The industry is seeking to address this issue but needs immigrant skills immediately to continue to build projects such as Sydney's second airport, Brisbane's Cross River Rail, Melbourne's Gateway, Inland Rail, New House and Land Packages for home owners. Business Example: As a small-medium survey company engaged in 4 of the biggest infrastructure projects currently under construction in Australia, the survey company is unable to engage skilled Surveyors. The sheer volume of major infrastructure underway at this time, together with the closing of international borders is a major factor in this. Right now, the company could do with 2 Surveyors in Brisbane and another 2 in Sydney as a minimum, providing status quo is maintained with current staff and no further work is secured. The company currently has 2 Seek ads running for Brisbane and Sydney. These ads have been live for 7 days with 7 applicants for Brisbane and 8 applicants for Sydney. Of the 7 applicants for Brisbane, 1 is living in Australia with suitable experience, 2 have no qualifications and the remaining 4 are all living overseas and require sponsorship and an exemption to get to Australia. Of the 8 applicants for Sydney, 1 is an Australian Citizen who is still studying and can only work part-time (not suitable for infrastructure works) and the remaining 7 are all living overseas and require sponsorship and an exemption to get to Australia. Based on previous experiences with Seek, the company would have received 45 to 50 applications at this same stage. The company also has a recruitment agent constantly looking for Surveyors. They are reporting a lack of Surveyors looking for work. They have jobs to fill on behalf of many firms and no one to fill them. Covid-19 has been problematic in many ways but Surveyors are more hesitant to leave the security of their current employers and lose accrued leave balances. The company recently engaged an experienced tunnel Surveyor from New Zealand. The Surveyor was due to arrive on 17<sup>th</sup> February 2021. The flight got cancelled due to the Australian Government closing that travel bubble from midnight 14<sup>th</sup> February 2021. There is no guarantee when the Surveyor will arrive in Australia. There are many examples of suitable candidates overseas who cannot get to Australia under the current restrictions.

4. **Victorian Automobile Chamber of Commerce and Victorian Chamber of Commerce and Industry report Motor Mechanics (ANZSCO Code 321211), Diesel Motor Mechanic (ANZSCO Code 321212), Motorcycle Mechanic (ANZSCO Code 321213), Small Engine**

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<sup>1</sup> QTIC 2020, Priority Skills List Supporting Information October 2020.

**Mechanic (ANZSCO Code 321214) are in shortage.**

A national survey of 1,000 automotive businesses conducted in October 2020 by VACC on behalf of its federal body – the Motor Trades Association of Australia (MTAA) shows that there is extreme shortage of skilled motor mechanics, which is estimated to be approximately 22,000 positions nationally. This represents the highest deficit for a single occupation ever experienced by the automotive industry and is having a crippling effect on automotive repair businesses. This shortage has been caused by:

- a. The growing annual fleet of vehicles on road – currently standing at 19.8 million vehicles on road and growing by 300,000 to 400,000 vehicles per annum. This is placing huge constraints on the capacity of the sector to service and maintain this growing fleet in a timely manner.
- b. A sharp decline in the supply of local apprentice motor mechanics over the past few years.
- c. Technological change - rapidly emerging new technologies in electric and hybrid vehicles have left a major skills gap across the industry for suitably trained motor mechanics.
- d. A massive uptake of second-hand vehicles by consumers during the COVID-19 pandemic in 2020 requiring repairs and maintenance.

The consequences of this shortage is that automotive workshops have an enormous backlog of work, and not enough skilled mechanics to service and repair vehicles in a timely manner. In many instances, this has meant waiting periods of eight weeks or more for consumers to get their car repaired which is unacceptable. Business owners are under severe stress, working long hours and weekends, and are desperate to sponsor skilled migrants to alleviate the pressures they are facing and be able meet the needs of consumers.

**5. Australian Veterinary Association reports Veterinarian (ANZSCO Code 234711) in shortage.**

The COVID crisis has caused a marked increase in demand for veterinary services. Pet adoption throughout the pandemic is up by 45%, and our members are reporting unprecedented caseloads. However, this coincides with a relative shortage of clinical veterinarians within the Australian workforce. This is putting existing veterinarians under enormous pressure, taking a toll on their mental health, putting veterinary businesses at risk of closure, and also posing a broader risk to Australia's animal industries. Veterinarians provide essential services to ensure not only the health and welfare of the community's companion animals, but also service the livestock industries, protect Australia's favourable biosecurity status, ensure the continuity and safety of the food we eat, and protect society from zoonotic diseases. The shortage is currently critical; while AVA is working on long-term solutions to the issue, we also believe that an urgent short-term solution is needed - we believe that this could be met by placing overseas trained veterinarians on the PMSOL list, to enable the fast-tracking of their visas.

6. **Consult Australia and Victorian Chamber of Commerce and Industry report Civil Engineers (ANZSCO Code 233211), Structural Engineers or Bridge Engineers (ANZSCO Code 233214), Civil Engineering Drafters (ANZSCO Code 312211), Transport Engineers or Traffic Engineers (ANZSCO Code 233215), Hydrogeologists (ANZSCO Code 234413), Electrical Engineers (ANZSCO Code 233311) in shortage.**

Consult Australia's 2020 Skill Shortages Pulse Survey<sup>2</sup> took a deep dive into the occupations most affected by shortages in the current market to understand the business impacts from skill shortages. Their participating members were asked to identify the top three businesses that they find difficult to recruit in and to provide detail regarding the impacts on their businesses because of these shortages. It was also found that their members find it most challenging to recruit for mid-level to senior/principal positions in these occupations, often having to alter the position to find a suitable candidate. The shortages identified align with the significant spending by governments across the country, but most particularly in NSW and Victoria, on public infrastructure. Given this, there is an urgent need and assistance in accessing the global market to address the skill shortages they are facing to meet demand.

The Victorian Chamber of Commerce and Industry has also independently reported its members experience skills shortage in the above-mentioned occupations.

7. **Medicines Australia**

Australia's medical technology, biotechnology, pharmaceutical and digital health sector (MTP) supports approximately 70,000 Australian jobs and contributed more than \$5 billion in Gross Value Added to the Australian economy in 2019. Its future is dependent on the skills of its workforce. MedTech and Pharma Growth Centre HR survey report<sup>3</sup> identifies current, emerging and future skills gaps that need to be addressed in order to drive growth in the Australian MTP sector. Respondents highlighted there were problems with the number and quality of candidates in the mid to senior level roles in these skills areas. In addition to the specific skills in the survey, respondents also raised some other areas of concern, often related to real-world industry and international experience. Please refer to the survey report for all skills reported to be in shortage.

8. **Chamber of Commerce and Industry WA (CCIWA) has relayed the below occupations in shortage across its membership.**

- **Emergency services workers (Paramedic) (ANZSCO Code 441211) and Fire fighters (ANZSCO Code 441212):** Emergency Services Workers and Fire Fighters are vital to the safe and contained operation of remote mining operations. As part of many mining operations workplace health and safety obligations, resource companies engage fully qualified Emergency Services Workers and Fire Fighters to provide an in-house emergency response capacity. Without this capacity the ability for mine sites to operate safely will be severely curtailed. As such mine sites who are struggling to access these workers will likely experience severe disruptions of mining operations, this in turn will place a major drain on the nation's recovery from COVID-19. Under

<sup>2</sup> Consult Australia 2021, 2020 Skills Shortages Pulse Survey, [https://www.consultaustralia.com.au/docs/default-source/default-document-library/consult-australia-report---skill-shortages-\(dec-20\).pdf?sfvrsn=dd8c5f27\\_2](https://www.consultaustralia.com.au/docs/default-source/default-document-library/consult-australia-report---skill-shortages-(dec-20).pdf?sfvrsn=dd8c5f27_2).

<sup>3</sup> MedTech and Pharma Growth Centre 2020, A Survey of Workforce Skills and Capacity in the MTP Sector, [https://www.mtpconnect.org.au/images/MTPC\\_Workplace\\_Skills\\_Report.pdf](https://www.mtpconnect.org.au/images/MTPC_Workplace_Skills_Report.pdf).

contracting arrangement for businesses in this sector, their clients determine the acceptability of staff assigned to their facility. Clients are risk averse and generally require that staff on their sites have a depth of experience. Prior to the COVID-19 outbreak and the closure of the WA borders the businesses in this sector had easily been able to attract the staff they required to. In the current labour market environment, there is stiff competition from the sector for experienced staff. Because there are only a limited number of these services in WA it has been common to draw on NSW and Victoria. Early indications are that post-COVID people may be hesitant to relocate, or to accept FIFO conditions. Businesses have previously offered relocation to eastern state applicants, but this did not attract enough interest. The current resourcing model for fire and emergency service workers in WA is unsustainable. There is almost total reliance on entry level recruitment by fire and ambulance services in the eastern states.

- **Certificate III Engineering – Composite Trades (ANZSCO Codes 399999).** There is not a directly relevant ANZSIC subsector that covers the composites industry. The ANZSIC Code 1919 ‘Other Polymer Product Manufacturing’ is the closest but this also cover non-composite manufacturing. Industry sectors comprise:
  - Pools and spas
  - Marine craft (other than naval)
  - Defence
  - Industrial sector
  - Transportation

The qualification Certificate III Engineering – Composite Trades (MEM31119) was released in March 2012 and delivery commenced in WA in 2016. This is currently in scope for South Metropolitan TAFE. Since commencement apprentices have taken up the apprenticeship of which four have completed and one is still enrolled. Nationally, it is estimated that 31 have completed the course. WA manufacturers have not adopted MEM31119 Certificate instead they have opted for in-house training delivered by experienced production personnel. This has resulted in an additional cost impost on WA composite manufacturers and does not provide an industry solution to the skills shortages. The workforce is insufficient to meet current demand, and with a tight labour market, stiff competition from competitors for labour, a skills shortage, and decreased access to overseas.

- **Personal Care Workers (Mental Health, Aged Care and Disability) (ANZSCO Codes 4231, 4233).** The AISC National Industry Insights Report outlines and highlights the quantum of FTE over the next five years required in the Disability, Aged Care sectors<sup>4</sup>. Within the Health and Social Assistance industry, and relevant to Direct Client Care and Support, is that the employment numbers for Aged and Disabled Carers are expected to grow from over 214,100 in 2020 to 222,300 by 2024<sup>5</sup>. The PC Inquiry in 2011 highlighted the demographic changes in the population and the impact the rapidly aging population will have in relation to the workforce. By 2050, over 3.5 million Australians are expected to use aged care services each year<sup>6</sup>. In the last two months

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<sup>4</sup> Department of Social Services 2019, Growing the NDIS Market and Workforce,

[https://www.dss.gov.au/sites/default/files/documents/03\\_2019/220319\\_-\\_ndis\\_market\\_and\\_workforce\\_strategy\\_acc-\\_pdf-\\_pdf](https://www.dss.gov.au/sites/default/files/documents/03_2019/220319_-_ndis_market_and_workforce_strategy_acc-_pdf-_pdf).

<sup>5</sup> AISC 2019, Direct Client Care and Support, <https://nationalindustryinsights.aisc.net.au/industries/health/direct-client-care-and-support>.

<sup>6</sup> Productivity Commission 2011, Caring for Older Australians, <https://www.pc.gov.au/inquiries/completed/aged-care/report/aged-care-overview-booklet.pdf>.

CCIWA have spoken to several providers<sup>7</sup> in the Disability and Aged Care sector who all confirm the workforce shortages. Personal care workers and other allied health professionals such as OT's, Dieticians, Registered Nurses are in high demand.

- **Early Childhood Care Workers (Cert III and Diploma Equivalent) (ANZSCO Codes 241111 and 4211).** Shortages are particularly acute in regional and remote Australia<sup>8</sup> with forecasts that one third of all preschools may lack a qualified teacher in the next four years<sup>9</sup>. Over the past six months CCIWA have spoken with members who are providers<sup>10</sup> who corroborate this evidence.

9. **Chamber of Commerce and Industry Queensland (CCIQ) has reported the below occupations in shortage across its membership:**

- **Professional services:** The Capricornia region has noted labour shortages in the professional services industry with businesses having difficulty hiring accountants and in the area. A CCIQ member who works in Human Resources has several clients in the region that are unable to source and recruit accountants with at least two years of Australian Public Practice experience.
- **Health:** Difficulty finding enough skilled pharmacists to service the Capricornia region.
- **Aged care:** Aged care facilities are having difficulty finding aged care workers.
- **Manufacturing:** The ability to hire and retain welders has been a concern for the manufacturing industry in Townsville. A lack of investment in apprenticeships across all trades will have long-term impact on the availability of skilled workers in manufacturing.
- **Construction:** A lack of investment in apprenticeships across all trades will have long-term impact on the availability of skilled trades servicing the construction sector. Brisbane noted a shortage in trained electricians available for hire in the region. Townsville noted an opportunity loss was occurring as businesses were unwilling to take on more work due to shortages in the number of trades people.
- **Tourism and hospitality:** Broad concern from business about the retention of tourism and hospitality staff once Job keeper finishes. Townsville reported a shortage in chefs which is generally a QLD state-wide shortage. The Southern Gold Coast noted lack of language-skilled workers and specialised kitchen workers, such as experienced wok cooks, to support the tourism and hospitality sector, due to both the lack of working holiday makers and international student labour markets traditionally relied on. Potential to looking at skills transfer workforce opportunities, particularly cross service sectors, to fill the labour shortages created by the current lack of backpackers and international students in tourism regions such as the Gold Coast, Sunshine Coast, Cairns. Cairns reported a labour shortage in cleaners and shop assistants to support the retail and tourism sectors. Sunshine Coast reported a skills gap in both tourism and hospitality, particularly the service of alcohol.

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<sup>7</sup> Ability Centre, Mercycare, Rise Network, Avivo, Alzheimer's WA, Nulsen Group, Identity WA, Activ, Ruah, Palmerston, The Bethanie Group, Centrecare

<sup>8</sup> Australian Children's Education & Care Quality Authority 2020, pp 46-47, <https://www.acecqa.gov.au/sites/default/files/2021-02/NQF-Annual-Performance-Report2020.pdf>.

<sup>9</sup> Megan O'Connell 2019, One-Third of all preschool centres could be without a trained teacher in four years, if we do nothing, The Conversation, <https://theconversation.com/one-third-of-all-preschool-centres-could-be-without-a-trained-teacher-in-four-years-if-we-do-nothing-120099>.

<sup>10</sup> Ngala, Wanslea, Wind in the Willows, Regional Early Education Development Inc. (REED), Schools of Early Learning, Chemello Group, Sudbury Community House, Australian Childcare Alliance WA, Joondalup Early Learning Centre.

10. Australian Hotels Association (AHA) and Tourism Accommodation Australia (TAA) report Chefs (ANZSCO Code 351311) and Cooks (ANZSCO Code 351411) in shortage.

Following a recently conducted nationwide survey of AHA and TAA members, 73 percent of responses reported that their business is suffering financially because of a shortage of skills. 56 percent of responses reported labour and skills shortages in the cook occupation, while 66 percent of surveyed members reported shortages in the chef occupation. Across NSW alone, TAA estimates a labour shortage in accommodation hotels of 3247 workers<sup>11</sup>.

One member of AHA/TAA reflected on current shortages across occupations, primarily due to the lack of international students and working holidaymakers. The business had 643 applicants who were confirmed to start from December 2020 to March 2021 which was relatively low to begin with. Of those 643 confirmed applicants, 378 were no shows to the induction and 82 were lost within the first week due to being unsuitable/disinterested or no shows. The number of current vacancies with an average 30 percent occupancy is 249. The business is working with some hotels to make conditions of employment a little more attractive, increasing pay rates for isolation hotels, relaxing room cleaning times, offering incentives, yet the business still has 173 vacancies in Sydney, 52 in Brisbane and the Gold Coast and 24 in Melbourne.

11. Cairns Chamber of Commerce through CCIQ has reported the below labour and skills needs in Far North Queensland.

Occupations	Notes
<p><b>Professional services</b></p> <ul style="list-style-type: none"> <li>• Qualified Accountants</li> <li>• Qualified Civil Engineers</li> <li>• Qualified Lawyers with 2 - 4 years PQE, - we have six firms looking, and not enough available</li> <li>• Conveyancing Clerks - we have three firms looking - unable to find them</li> <li>• Town Planners</li> </ul>	<ul style="list-style-type: none"> <li>• Most Accounting firms - could place 10 Chartered Accountants if they were available</li> <li>• Most Engineering Companies in Far North Queensland (FNQ) - could place 10 Civil Engineers if available</li> <li>• Have a need for 2 clients wanting Town Planners, unable to find</li> </ul>
<p><b>Agriculture</b></p> <ul style="list-style-type: none"> <li>• Crop Farmers</li> <li>• Dairy Cattle farmers</li> <li>• Fruit or nut picker</li> <li>• Mixed Crop and Livestock worker</li> </ul>	<p>Farm relied on international labour hire since hardly any competently skilled individuals in Australia. COVID has</p>

<sup>11</sup> AHA Labour and Skills Shortage Survey Results 2021

<ul style="list-style-type: none"> <li>• Farm inspector</li> <li>• Primary product inspectors</li> <li>• Farm supervisor</li> </ul>	exacerbated pre-existing shortage
<p><b>Aviation</b></p> <ul style="list-style-type: none"> <li>• Air transport professionals</li> <li>• Aircraft maintenance engineers (avionics and mechanical)</li> <li>• Safety inspector</li> <li>• Quality assurance manager</li> <li>• Aircraft painter</li> </ul>	Severe shortage of aircraft engineers in FNQ. Ongoing recruiting strategies domestically have not filled the need for 20+ roles available. It can take 10 years to gain the skills necessary. Those stood down are only able to work on larger aircraft, not the types serviced by the Cairns' aviation industry.
<p><b>Construction</b></p> <ul style="list-style-type: none"> <li>• Building Associate (Building Construction Supervisor)</li> <li>• Welder (Fitter welder)</li> <li>• Metal fitters and machinists</li> <li>• Architectural Building and surveying technicians nec</li> <li>• Pressure welder</li> <li>• Metal fabricator/boilermaker</li> </ul>	Skills not readily sourced locally
<p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Vocational Education Teacher</li> </ul>	Lack of calibre
<p><b>Engineering</b></p> <ul style="list-style-type: none"> <li>• Mechanical Engineering technician</li> <li>• Civil engineer</li> <li>• Civil engineering draftsman</li> </ul>	A business not able to fill 2 senior engineering roles within the last 2 months
<p><b>Finance</b></p> <ul style="list-style-type: none"> <li>• Accounts clerk</li> <li>• External Auditor</li> <li>• Internal Auditor</li> <li>• Accountant</li> </ul>	Longstanding shortage in Cairns (over 20 years)  Most suitable applicants overseas
<p><b>Health and Welfare</b></p> <ul style="list-style-type: none"> <li>• Health and welfare services managers</li> <li>• Occupational health and safety adviser</li> <li>• Veterinary nurse</li> <li>• Dental Hygienist</li> <li>• Enrolled nurse</li> <li>• Aged or disabled carer</li> <li>• Dental assistant</li> </ul>	No reduction in demand for services

- Nursing support worker
- Chiropractor
- Osteopath
- Dentist
- Veterinarian
- Clinical Psychologist
- Midwife
- Medical administrator
- Medical diagnostic radiologist
- Sonographer
- Occupational therapist
- Physiotherapist
- Podiatrist
- General practitioner
- Residential medical officer
- Anaesthetist
- Specialist physician (general)
- Cardiologist
- Clinical haematologist
- Medical oncologist
- Endocrinologist
- Gastroenterologist
- Intensive care specialist
- Neurologist
- Paediatrician
- Renal medicine specialist
- Rheumatologist
- Thoracic Medicine specialist
- Specialist physician Nec
- Psychiatrist
- Surgeon (general)
- Orthopaedic surgeon
- Plastic & reconstructive surgeon
- Urologist
- Vascular surgeon
- Dermatologist
- Emergency medicine specialist
- Obstetrician & gynaecologist
- Ophthalmologist
- Radiation Oncologist
- Medical practitioners
- Nurse practitioners
- Registered nurse (aged care, child and family health, community health, critical care and emergency, developmental disability, disability and rehabilitation,

<p>medical, medical practice, mental health, perioperative, surgical and nec)</p> <ul style="list-style-type: none"> <li>• Anaesthetic technician</li> <li>• Dental technician</li> <li>• Personal Care assistant</li> </ul>	
<p><b>ICT</b></p> <ul style="list-style-type: none"> <li>• Database administrator</li> </ul>	Lack of suitable applicants
<p><b>Management &amp; Admin</b></p> <ul style="list-style-type: none"> <li>• Customer service manager</li> <li>• Conference and event organiser</li> <li>• <i>Personal assistant</i></li> <li>• <i>Office manager</i></li> <li>• Sales and marketing manager</li> <li>• Retail manager and supervisors</li> </ul>	Low levels of skills in local workers makes it hard to find the right skills in remote FNQ (occupations in italics).
<p><b>Marine Services</b></p> <ul style="list-style-type: none"> <li>• Ship's engineer</li> <li>• Boat builder and repairer</li> <li>• Diver</li> <li>• Naval architect (marine design)</li> <li>• Program and project administrator</li> <li>• Contract administrator</li> <li>• Marine surveyor</li> </ul>	Hub for marine servicing, major growth in this area. Skills shortage only expanding
<p><b>Mechanical</b></p> <ul style="list-style-type: none"> <li>• Motor mechanic (General)</li> <li>• Diesel motor mechanic</li> <li>• Motorcycle mechanic</li> <li>• Small engine mechanic</li> <li>• Textile, clothing and footwear mechanic</li> <li>• Air con &amp; Refrigeration mechanic</li> </ul>	More assistance required to support the development of these trades. Struggle to fill these positions before COVID that has just gotten worse.
<p><b>Media and Comms</b></p> <ul style="list-style-type: none"> <li>• Web developer</li> <li>• Multimedia specialist</li> </ul>	
<p><b>Professionals</b></p> <ul style="list-style-type: none"> <li>• Marine biologist</li> <li>• Life science technician</li> <li>• Geologist</li> </ul>	Government offering more competitive salaries, hard for businesses to fill positions. Hardly any competently skilled individuals in Australia
<p><b>Social services</b></p> <ul style="list-style-type: none"> <li>• Child Care Centre Manager</li> <li>• Child care worker</li> </ul>	Prominent shortages in outlying towns in rural areas

<ul style="list-style-type: none"> <li>• Sport coaches</li> <li>• Preschool aide</li> <li>• Early childhood (pre-primary school) teacher</li> <li>• Child care group leader</li> </ul>	
<p><b>Technical</b></p> <ul style="list-style-type: none"> <li>• Electronic Instrument Trades worker</li> <li>• Cabler (data and telecommunications)</li> <li>• Telecommunications cable jointer</li> </ul>	<p>Highly specialised trade required for marine and aviation sectors that are expected to grow</p>
<p><b>Tourism &amp; Hospitality</b></p> <ul style="list-style-type: none"> <li>• Café or restaurant manager</li> <li>• Hotel or motel manager and receptionist</li> <li>• Accommodation and Hospitality Managers (nec)</li> <li>• Chef</li> <li>• Cook</li> <li>• Hotel Service manager</li> <li>• Tour guide</li> <li>• Diving Instructor (open water)</li> <li>• Deck hand</li> <li>• Café or restaurant supervisor</li> <li>• Other Hospitality, retail and service managers (nec)</li> <li>• Commercial house keeper</li> <li>• Other hospitality workers nec</li> <li>• Bar attendant and supervisor</li> <li>• Food Trades Assistants nec</li> <li>• Waiter</li> <li>• Outdoor adventure instructor</li> <li>• Outdoor adventure guides nec</li> <li>• Baker</li> <li>• Pastry cook</li> <li>• Hotel and motel</li> <li>• Housekeeping supervisor</li> <li>• Marine environment interpreter</li> <li>• Night auditor</li> <li>• Waiter (supervisor)</li> <li>• Diving instructor</li> </ul>	<p>A lot of these jobs were filled by overseas travellers or students living in the regions. Ongoing skills and experience shortages expected mid to long term.</p>
<p><b>Trades</b></p> <ul style="list-style-type: none"> <li>• Carpenter</li> <li>• Brewer</li> <li>• Forklift driver</li> <li>• Electrician</li> <li>• Landscape gardener</li> <li>• Earthmoving Plant operator (general)</li> </ul>	<p>Breweries have grown from 6 to 800 over the last 20 years need more skilled workers</p>

<ul style="list-style-type: none"><li>• Mobile plant operators</li><li>• Sewing machinists</li></ul>	
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