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Minister for Police; Road Safety;
Training and Workforce Development; Women's Interests

Our Ref: 45-39692

Migrant Intake into Australia
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Commissioner

Thank you for the opportunity to respond to the *Migrant Intake into Australia, Draft Report*.

As part of Western Australia's workforce development priorities, the State Government recognises the importance of supplementing the State's workforce with skilled immigrants to fill vacancies that cannot be filled by local workers.

The Department of Training and Workforce Development has compiled for your consideration the attached submission, responding to the recommendations in the report. Western Australia supports the State Government's submission being made publically available on the Commission's website.

Should you require further information, please contact Mr Gary Fitzgerald, Director State Workforce Planning

Yours sincerely

LIZA HARVEY MLA
MINISTER FOR POLICE; ROAD SAFETY;
TRAINING AND WORKFORCE DEVELOPMENT; WOMEN'S INTERESTS

18 JAN 2016

Western Australia's Response to the Productivity Commission Migrant Intake into Australia, Draft Report

Thank you for the opportunity to provide feedback to the Productivity Commission *Migrant Intake into Australia Draft Report*.

This submission has been compiled by the Department of Training and Workforce Development on behalf of the Western Australian Government, and focuses on the main parts of the Draft Report which are of interest to Western Australia at this time.

Background

Immigration is important to Western Australia, as is evidenced by the State's share of the national intake of permanent and temporary immigrants. Relative to Western Australia's share of Australia's resident population over 2014-15 (of 11 percent), the State's share of the permanent national Skill Stream was 15.2 percent, the Temporary Work (Skilled) (subclass 457) stream 15.9 percent, the Family Stream 10.0 percent, and Student visas 7.4 percent.^{1,2}

The Western Australian Government remains broadly supportive of the current settings of the Commonwealth's immigration programme. It is recognised that the Humanitarian Programme is important to Australia for meeting its international responsibilities to protect refugees and displaced persons. In addition, both permanent and temporary skilled immigration are fundamental for ensuring Western Australia has access to skilled workers for employment vacancies that cannot be filled by the local workforce.

The Western Australian Government is also supportive of the hybrid model of skilled immigration, comprising of employer-sponsored and points tested programmes. Underpinning the hybrid model are the national priority occupations lists (Consolidated Sponsored Occupations List (CSOL) and Skilled Occupation List), and the selection mechanism (points tested) for screening potential immigrants.

Consolidated Sponsored Occupations List and selection mechanism

The Western Australian Government echoes the Productivity Commission's concern about the CSOL's construction, and welcomes the Commonwealth

¹ The data refers to primary visas granted for the 2014-15 year to 30 June 2015.

² Department of Immigration and Border Protection (2015), *State and Territory Migration Summary – 30 June 2015*.

Government's adoption of the recommendation from the independent review of the 457 visa programme³ in respect to the compilation of the CSOL.

The Western Australian Government also supports greater transparency in respect to the CSOL's compilation, and strongly advocates Commonwealth consultation with the states and territories on any proposed changes to the composition of the CSOL (e.g., expanding the CSOL to include occupations outside of ANZSCO). Specifically, the delineation between short-term and longer-term needs, and how this can be met from a single occupation list, warrants further discussion (Productivity Commission's Information Request 11.1).

As part of the discussion on the composition of the CSOL, careful consideration should be given to simplifying the process for industries to nominate occupations for the CSOL. It can be difficult for specialised occupations with small workforces and sub-sets within occupational groups to be added onto the CSOL. The current process for adding occupations on the CSOL can be lengthy, and hinders businesses from accessing workers when labour markets change quickly.

Further discussions on the CSOL should consider addressing specific state and territory as well as regional needs. Recognition of the differences between the needs of regional employers and non-regional employers is important in this process. The Commonwealth Government's timely release of data sets on occupations that take account of regional information would be useful for state and territory governments in their immigration planning.

The selection mechanism using a points tested system seems to be working well in ensuring immigrants have the skills to participate in the Australian workforce, as well as helping maximise their contribution to Australia's human capital. Western Australia supports regular revision of the selection mechanism, including the process for recognising overseas qualifications (Productivity Commission's Recommendation 5.1), and determining appropriate English-language requirements for different visa streams (Productivity Commission's Recommendation 10.1).

Any proposed implementation of bridging courses to improve the recognition of overseas qualifications should involve stakeholder consultations, including with state and territory governments, as well as maintaining linkages with professional bodies and boards. In addition, any proposed bridging courses should be extended to trades occupations, and not be limited to professional occupations.

³ Azarias, J., Lambert, J., McDonald, P. and Malyon, K. (2014), *Robust New Foundations: A Streamlined, Transparent and Responsive System for the 457 Programme*, Independent Review into Integrity in the Subclass 457 Programme, Canberra.

However, the funding responsibilities for bridging courses and accessibility of bridging courses for off-shore applicants should be carefully investigated.

Temporary and Permanent Immigration

The priority occupation lists and selection mechanisms should be aligned with Australia's immigration objectives. Part of these objectives is to distinguish between short-term and longer-term economic and non-economic needs. While the current mechanism for addressing these needs is via temporary and permanent immigration programmes, of particular importance is the pathway between temporary and permanent immigration, as it provides flexibility to attract skilled professionals to fill positions that cannot be met via the local workforce. In certain industries (e.g., health) the visa pathways between temporary and permanent immigration are particularly important for recruiting skilled professionals in a competitive global market.

The Western Australian Government is therefore supportive of the Productivity Commission's Recommendation 11.1 for retaining separate processes for determining temporary and permanent immigration, while ensuring that immigration pathways also support the broader objectives of immigration policy. As part of the discussion on temporary immigration, Western Australia recommends further assessment of how certain temporary immigration programmes, in particular the Working Holiday Maker and Seasonal Worker Programmes, are used by industries. This will help gain a better understanding of how these programmes can be improved to assist regional employers gain timely access to low-skilled workers. For example, the limitation on regional employers hiring workers on a Working Holiday Visa (subclass 417) for a maximum of six months should be re-assessed, albeit in the context of the recent extension (of an additional six months) that is now allowed for employers within Northern Australia. The administrative requirements of the Seasonal Worker Programme can be burdensome, and can potential deter businesses from using the programme.

Settlement Services

In addition to the selection of immigrants, the economic and social outcomes of immigrants after arrival are important to Australia. Linked with these outcomes is how immigrants adjust to Australia after arrival. The provision of settlement services to skilled and other immigrants plays a crucial role to their adjustment and wellbeing.

The Western Australian Government supports the Productivity Commission's Recommendation 6.1 that the Commonwealth Government should review the mix and extent of settlement services for immigrants. For example, programmes (e.g.,

JobActive) that directly address job search support for immigrants and their partners would be beneficial.

In addition, ensuring access to health services for Humanitarian arrivals and skilled immigrants is important (e.g., access to child health services for children of immigrants on skilled visas, and for female partners of immigrants on 457 visas). Humanitarian arrivals eligible for MBS/PBS should have access to comprehensive health checks after arrival, and maintain links with health service providers, so as to ensure they have access to ongoing health checks. The Commonwealth Government could also consider ensuring that immunisation data for immigrant children is entered into the Australian Childhood Immunisation Register at the time of immigration, and that the Commonwealth provides access to funded vaccines to enable follow-up vaccinations for immigrant children.

It is the Western Australian Government's view that the funding of settlement services should primarily be the responsibility of the Commonwealth.

Integrity of Australia's Migration System

The Western Australian Government also believes it is vitally important to uphold the integrity of Australia's immigration system. Any loss of confidence in immigration policy settings and systems could prove deleterious if it leads to significant community tension, reduced use of skilled immigration by employers, and similar.

In light of recent concerns of immigrants' rights in the workplace, the Western Australian Government supports the Productivity Commission's Recommendation 9.2 of an inquiry into the work rights for international students, temporary graduate visa holders and working holiday makers.

As part of the integrity of Australia's immigration system, regulatory arrangements (e.g., health practitioner regulation) should be aligned with immigration requirements to avoid occurrence of conflicting policies, such as the recent changes made to health practitioner registration standards that affected many overseas qualified nurses in 2014.

Data

Improved data availability would assist in upholding the integrity of the immigration system. It would also assist in the continual review of immigration policy. Detailed data that enables immigration programmes to be reviewed, including immigrants' labour market and social outcomes, are scarce.

The Western Australian Government therefore supports the Productivity Commission's Recommendation 7.1 for the linking of government administrative

data sets pertaining to immigration. This will likely be an extremely powerful way of enabling statistical analyses to be undertaken that provides a suitable empirical basis for informing policy development.

In addition, Western Australia recommends this data be made available to state and territory governments. This will help inform their immigration policy development for the purposes of their own state nominated migration programs, regional sponsored migration schemes, and other involvement as is warranted (especially in respect to Commonwealth Government immigration initiatives where states and territories are ascribed specific roles (e.g., Safe Haven Enterprise Visas, Designated Area Migration Agreement)).

In terms of existing data, the Western Australian Government supports the Productivity Commission's Recommendation 10.1 that the Commonwealth Government should continue to collect information on immigrants. An example of data availability that is valuable for informing policy development at the national, state and local levels is the five-yearly Census of Population and Housing. The Western Australian Government supports the continuation of Census data and urges the Commonwealth Government to maintain the frequency of data collection at a five-yearly interval.

Visa Charges

Visa charging is a complex and controversial issue. Any Commonwealth Government intention to alter current visa charges should involve wide consultation, including with state and territory governments.

The Western Australian Government shares the Productivity Commission's concerns about using visa charging as a selection mechanism and therefore supports the Commission's Recommendation 12.1 that a user-pay pricing mechanism as a sole mechanism for allocating permanent visa should not be considered. We are also concerned that any change in visa charges may have a negative or unintended effect on the composition of immigrants, and the competitiveness of Australia to recruit suitable immigrants.

In relation to the Productivity Commission's Information Request 13.1, Options 3 and 5, the Western Australian Government is cautious of any proposal to relax certain selection criteria that have the potential to negatively affect the settlement and labour market outcomes of immigrants (e.g., English language, educational attainment).

Business Innovation and Investment Program

The economic benefits to the Western Australian economy from business immigrants are considerable, resulting in capital inflow of \$1,094 billion, creation

of 615 new jobs and establishment of 64 new exporting businesses over the past four years.

There are differences between complying investment requirements for the Significant Investor Visa (SIV) and the Premium Investor Visa (PIV). While the current investment requirements for the SIV can be claimed to benefit only fund managers who are able to extract commissions for their investment products, the PIV allows investment outside of fund managers (e.g., into private companies and projects). The same investment criteria for the SIV can be implemented to ensure the benefits of SIV extend beyond fund managers.

With regard to a lack of English language requirements for business visas, as noted by the Productivity Commission's report, applicants and dependents over 18 years of age who are unable to demonstrate functional English language ability must pay a second instalment of the visa application charge, which provides for up to 510 hours of tuition in Australia to reach functional English language ability.

Therefore, the Western Australian Government does not support the Productivity Commission's Recommendation 10.3 that the Significant Investor Visa and Premium Investor Visa streams be abolished. As acknowledged by the Productivity Commission, there is limited data to assess the outcomes of these programmes. The Western Australian Government recommends additional collection of data to assess the economic benefits of the programmes would be helpful for any future reform considerations in this area.