



**BUSINESS SA**

# Migrant Intake into Australia Productivity Commission Issue paper

June 2015



**BusinessSA**

South Australia's Chamber of  
Commerce and Industry

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## Introduction

Business SA is pleased to be responding to the Productivity Commission's Migrant Intake into Australia Issue Paper.

Business SA notes that this is a wide-ranging inquiry, touching on all the elements of Australia's migration program, we will seek to focus our comments on those issues that directly impact our members' businesses, which is predominantly the timely access to skilled migration.

We recently participated in the Federal Government's consultation with regards to the Investor Visa Program and will also include our relevant comments here.

## Skilled Migration

It is very important that where the local labour force cannot meet the skills and labour demands of employers that skilled migration is a viable avenue for industry to be able to source the skilled workforce they need. Business SA actively promotes labour mobility and up-skilling of existing workers to meet skills and labour demands, however, skilled migration is an important element of ensuring that business can access the right resources to grow and develop their business.

It is vital that South Australia is able to attract talent to build and sustain our local businesses and part of the success in bringing skilled workers relies on an efficient and affordable skilled migration system. It is important to note that unskilled workers are also required when the local labour force cannot meet the volume of demand.

Temporary skilled migration (457 Visa) provides a skilled worker that isn't available locally, often at a critical time for the business. Without this option the business and the economy suffers.

The Migrant Intake into Australia Issue Paper asks a number of specific questions with regards to skilled migration which Business SA has address below. Business SA has also responded to some of the more general questions in the Issue Paper in regards to skilled migration.

### **What should be the objectives of Australia's immigration policy?**

Australia's immigration system must enable business to attract the best talent to fill workforce gaps and allow business to grow and flourish. Skilled migration, both temporary and permanent, is an integral part of Australia's immigration policy and it needs to be recognised for the contribution it makes to Australia's economic success.

A recently released report by the Migration Council highlights that Australia's population will be 38 million by 2050 and migration will be contributing \$1.625 billion to Australia's Gross Domestic Product<sup>1</sup>.

### **What factors are likely to change the relative attractiveness of Australia as an immigration nation?**

Business SA consulted with our members in order to provide relevant feedback to the Migrant Intake into Australia Issue Paper and some common themes emerged with regards to Australia's attractiveness as an immigration nation.

A common theme we heard from our members when they were seeking to utilise skilled migration was about the role that the *IELTS – International English Language Testing System* was playing in preventing skilled workers migrating to Australia. Members reported that often international testing centres were booked out for months in advance, hence preventing the applicant from sitting the test in a timely manner. With tight deadlines and businesses working on a project to project basis, a delay of months can mean that it is no longer viable to proceed with that particular candidate. This has consequences for Australia's ability to compete with other countries for quality candidates as outlined further below.

Business SA recognises that the IELTS system plays a very important role in assessing the skills of migrants but when we consider Australia's attractiveness as an immigration nation, we also need to consider the procedures of other countries that also use skilled migration. A healthcare service based in rural South Australia relies heavily on migrant nurses due to the inability to attract Australian based nurse to move from the city to the country. This healthcare service has found that migrant nurses have chosen to accept roles in other countries (such as New Zealand or Canada) because the "pass marks" for the IELTS were easier to achieve.

English proficiency is an important attribute for a skilled migrant but much of the feedback from our members has indicated that the IELTS system is onerous and the scores required for migration to Australia are higher than other similar countries. When assessing the attractiveness of Australia as an immigration nation, Business SA believes that a review of the requirements and ease of access to the IELTS system also be assessed and taken into consideration.

We also heard from our members in a range of sectors such as healthcare, hospitality and film production that the cost of dependant visas is impacting on Australia's attractiveness as a place to immigrate. Business has found itself in a position where they are not able to offer to pay for these visas as part of bringing in a skilled worker due to the increase in the cost of a dependant visa.

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<sup>1</sup> The Economic Impact of Migration, Migration Council Australia, 2015

Contrary to what is often portrayed in the media 457 Visa holders are often filling high salaried and highly technical roles. In specialised areas, where the skill sets are in demand internationally, a potential skilled migrant may choose employment where their dependant visa costs will also be covered by the employer. This further impacts on Australia's attractiveness as an immigration nation.

**Should Australia consider alternative pathways for low-skilled migration for low-skilled workers from Pacific Islander communities?**

Business SA does not believe that new classes of visas need to be created for low-skilled workers. We understand that there has been some less than favourable media attention with regards to low-skilled seasonal workers but a new class of visa will not address these concerns.

Unfortunately, there are a few employers who have done the wrong thing, but adding a new class of visa or preventing working holiday visas will not address the problem. There are sufficient labour laws in Australia to cover these temporary workers; they simply need to be enforced and monitored. The Fair Work Ombudsman and the relevant state based Work Health Safety regulators all have roles to play in education and enforcement.

It is vitally important for South Australia's food and wine industries that they have timely access to low-skilled workers. The current system is working despite a few employers who have failed to abide by the law.

Business SA does not condone any employer who deliberately breaches the law.

We acknowledge that such employers should be properly sanctioned and the current regulations are sufficient for this to take place. Simply adding additional regulation or new visa classes will not solve the problem; the current regulations must be effectively monitored and enforced so that the vast majority of businesses whom are doing the right thing are able to continue to operate with confidence in the system.

**What are the respective roles of temporary and permanent immigration within the Australian economy?**

Temporary migration plays a very important role for business that is unable to source labour locally. In addition temporary migration responds to economic need and also helps to create jobs for Australians. A business that is able to fill a vacancy with a temporary migrant, when there is no one suitable locally, is ultimately a growing and prospering business that will likely later employ more locally based employees.

Business SA also values the role that permanent immigration plays within the Australian economy as it adds to the talent pool from which business is able to source labour. We also recognise the fact, that with the proper pathways and regulations, temporary migrants often become permanent migrants, bringing a vast wealth of talent and expertise to Australian businesses.

## Investor Visas

Another important aspect of migration is the investor visa program and Business SA supports a continued focus on attracting greater investment to areas where there otherwise would be thin capital flows.

### **What are the advantages and disadvantages on the investment visa classes (investor and significant investor streams)?**

Business SA has a strong interest in policies that enhance and strengthen investment visa classes. Based on the data provided to us previously by the Federal Government, we have note that the majority of investment visas are granted to investors seeking to invest in Victoria and NSW. As at 30 June 2014, only 8 such visas were granted to investors looking to invest in South Australia. We would like to see more investors directed towards the States and Territories that have not traditionally benefited from the investment visa program.

This could be achieved through special incentives such as expeditious pathways to permanent residency for those applicants who would invest in SA, Tasmania or the Territories. Marketing these States and Territories as favourable investment destinations to overseas investors and creating awareness of business and investment opportunities in areas with thin flows of international investment should be part of ensuring the success of these visa programs.

In addition, there could be similar conditions placed on investor visas as there are on some of the temporary/provisional skilled visas. In other visa classes South Australia is designated as a regional area and a low growth metropolitan area for migration purposes. This would help to elevate South Australia as an attractive investor destination combined with the fact that Adelaide has been rated as one of the world's most liveable cities.

## Who we are

As South Australia's peak Chamber of Commerce and Industry, Business SA is South Australia's leading business membership organisation. We represent thousands of businesses through direct membership and affiliated industry associations. These businesses come from all industry sectors, ranging in size from micro-business to multi-national companies. Business SA advocates on behalf of business to propose legislative, regulatory and policy reforms and programs for sustainable economic growth in South Australia.

Should you require any further information or have any questions, please contact me