

NATIONAL OFFICE

Level 6, 50 Clarence Street
Sydney NSW 2000
GPO Box 56
Sydney NSW 2001

T. 02 8252 6700
E. info@consultaaustralia.com.au
W. www.consultaaustralia.com.au
ABN. 25 064 052 615



Driving business success for consulting firms in the built and natural environment

26 February 2021

Mr Julian Lesser, MP
Chair of the Joint Standing Committee on Migration
Parliament of Australia
Via email: migration@aph.gov.au

Dear Mr Lesser,

RE – Submission to the inquiry into Australia’s skilled migration program

I write on behalf of Consult Australia regarding the inquiry into Australia’s skilled migration program (the inquiry) as facilitated by the Joint Standing Committee on Migration. We welcome this inquiry and the opportunity to contribute our feedback. Our submission will be provided in two parts with this letter responding directly to the terms of reference 1(a), 1(b) and 2. The second part of our submission will be provided in a separate paper.

For background, Consult Australia is the industry association representing consulting businesses in design, advisory and engineering. Our industry comprises some 55,000 businesses across Australia, over 90% of which are small businesses but also include some of Australia’s top 500 companies. They provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry is a job creator for the Australian economy, directly employing 240,000 people. The services we provide unlock many more jobs across the construction industry and broader community.

Our industry continues to suffer from systemic skill shortages, those of which have been detailed in our [recently released report](#). The data reported by our members demonstrates that there is a particular difficulty in recruiting for mid-level to senior/principal positions in the built and natural environment consulting sector. Our members report often having to alter the position to find a suitable candidate in the Australian market.

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, our members require assistance in accessing the global market to address the skill shortages they are facing to meet demand. Our recommendations focus on increasing economic productivity through improvements to the clarity and accessibility of Australia’s skilled migration program.

Term of reference 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.***

Australia’s skilled migration program intends to provide industries with access to the global talent market where domestic skill shortages exist. We support Australia’s skilled migration program and see it as a vital initiative in ensuring the growth and sustainability of our member businesses. However, we believe there are a few areas where immediate adjustments are required, particularly as businesses seek to recover from the ongoing impacts of COVID-19.

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Age threshold

The relatively recent restriction of age thresholds to 45 years for most categories under the skills stream of the migration programme has had a negative impact on our member businesses. Our members report skill shortages particularly in mid-level to senior/principal level and seek global talent with years of professional experience to meet recruitment demands. This often means the talent sought is approximately 45 years of age or older.

We do not accept the rationale for the decrease in the age threshold of the tipping point for a skilled migrant being a 'net tax contributor' over their lifetime instead of a 'net taker'. This overlooks salary circumstances, which for experienced professionals shifts the tipping point to an older age. We also believe it overlooks actual retirement age, which anecdotally tends to be older in engineering roles.

For example, according to research from Engineers Australia on transition probabilities for employed engineers leaving the labour force by age between 2006 to 2011, the probability for engineers remaining in the workforce over the age of 65 was 44 percent.¹ Therefore, an engineering manager with a base salary of \$140,000 (which aligns to the 2016 salary guide by Professionals Australia)² would contribute \$39,432 in taxable income over the current financial year. If this engineering manager was 45 when granted a permanent skilled visa and retired in their late 60s, with salary increases in line with inflation they would be contributing well over \$500,000 in taxable income alone over their working years in addition to their contributions from other taxes. A scenario such as this is a 'net gain' to the Australian economy.

Consult Australia recommends the age threshold for the migration program should be increased back to 50 years, particularly in sectors such as ours where the 'net tax contributor and net taker' logic cannot be applied due salary circumstances or retirement ages.

The age threshold should be increased back to 50 years for sectors where the 'net tax contributor' and 'net taker' rationale cannot be applied, or for sectors with skill shortages at an older age bracket.

Short stay skilled migration visas

Short stay skilled migration visas are often sought by our member businesses to fill short term roles ranging from visits of a few days or weeks at a time, to positions required for 3-12 months. However, our members have difficulty navigating some visas that fit this category such as the subclass 482 (temporary skill shortage) visa and the subclass 400 (short stay specialist) visa. Improvements to these visas would encourage our member firms to access the global talent market and in turn assist the economy in strengthening its economic performance by unlocking employment pathways.

The subclass 482 (temporary skill shortage) visa presents some complexities and challenges to our industry that could be reformed. In particular, the labour market testing requirements under this visa stream are a 'one-size-fits-all' approach which fails to recognise diverse recruitment practices and creates a burden on employers. A targeted approach to labour market testing that only focuses on job types or exemptions to labour market testing for intercompany transfers, particularly in professional sectors, would assist our industry to access global talent required to meet demands.

¹ Engineers Australia, [The Engineering Profession: A Statistical Overview \(2017\)](#)

² Professionals Australia, Salary Guide for Managers in Engineering, Science and IT (2016)

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Additionally, the implementation of similar labour market testing requirements as the global talent visa stream (providing evidence once upfront rather than on an application-by-application basis) would increase Australia's attractiveness in the global market.

The subclass 400 (short stay specialist) visa has the potential to assist our industry in accessing global talent however, this visa often takes a long time to process and presents some obstacles that deter our member businesses from applying. We recommend that this visa have an increased period of stay to be an accumulative period of up to six months (with an overall maximum visa length of 12 months), be a multi-entry visa, and the processing times for this visa be reduced to 48 hours through a risk-tiering approach.

Industry Outreach Officer Initiative

The breadth and complexity of the current skilled migration program can be difficult for our member businesses to navigate, resulting in some businesses avoiding recruitment options within the global market.

We believe the introduction of an Industry Outreach Officer Initiative, akin to the programme during the mining boom, would assist our members to address skill shortages by providing a greater understanding of global market visa options. In turn, the domestic market would benefit from the prosperity of our industry through an increase in economic productivity. During the mining boom the Industry Outreach Officer Initiative was led by former Immigration Minister Amanda Vanstone. Ten immigration officers were assigned, on a part-time basis, to industry associations that represented skills in greatest shortage. They provided support in navigating the process and providing a valuable direct point of contact. Consult Australia was a recipient of the programme, which was held in high esteem by our members in a significant time of need.

(b) if more long-term structural changes are warranted.

Australian New Zealand Standard Classification of Occupations' (ANZSCO)

The Australian New Zealand Standard Classifications of Occupations' (ANZSCO) needs to be updated to incorporate job types performed in our industry's modern workforce. In particular, the omission of rail engineering, and Building Information Modelling (BIM) from ANZSCO prevents our industry from filling skill shortages in these vital occupations.

We propose that the Government work with the ABS to review and update the categories under the ANZSCO to include occupations of the modern workforce. The category 'Architects, designers, planners and surveyors' or 'Engineering professionals' could be updated to include BIM, and the category 'Transport engineers' could be updated to include rail engineers. This in turn will ensure the skilled migration system and skill shortage list best meets the demand of Australia into the future.

This structural change, whilst listed under this section of the Inquiries Terms of Reference, should not be approached as a long-term commitment. The sooner the ABS categories can be reviewed, the quicker our industry can engage in global market recruitment and address prevalent skill shortages. We further recommend that the ANZSCO categories continue to be reviewed and updated on an ongoing basis to keep up with changing occupations as a result of industry developments in technology and digitalization.

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Term of reference 2 - Australia's international competitiveness in attracting entrepreneurs, venture capital, startups, and the best and brightest skilled migrants with cutting edge skills

Australia has the ability to create an industry that is world class where the best and brightest global talent is attracted to positions within the Australian market. However, we believe there are some steps that could be taken to improve Australia's outlook.

Global Talent Employer Sponsored (GTES) Program

The Global Talent Employer Sponsored (GTES) Program allows our industry members to access highly skilled and specialised talent who can assist the Australian economy in developing job pathways as well as transfer their knowledge and skills to local workers.

To improve the effectiveness of this program, we recommend that some changes be made to allow greater access and efficiency for businesses. We propose that:

- The salary threshold for the program be reduced to increase the number of eligible visa applicants in our sector, and
- The Skilling Australia Fund (SAF) levy be removed from the visa costs associated with this program given its ability to develop local skills and knowledge.
- The cap of the number of positions per year (20) for large employer businesses be flexible for industries that have demonstrated skills shortages. It should be noted that the STEM/startup stream has easier eligibility requirements such as not requiring business to be an approved sponsor and a less detailed GTES agreement process, but it excludes most (if not all) our members due to the visa sponsor eligibility criteria.

Consult Australia thanks the Committee for the opportunity to contribute to this inquiry. If you would like to discuss our input, please contact Nicola Grayson (Chief Executive) at nicola@consultaaustralia.com.au or on 0499 878 839.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nicola Grayson", with a long horizontal flourish extending to the right.

Nicola Grayson
Chief Executive Officer