



Answer to question:

## PARLIAMENTARY JOINT STANDING COMMITTEE ON MIGRATION

### MIGRATION, PATHWAY TO NATION BUILDING INQUIRY

**QUESTION 1: 'We can take this on notice and provide you with a very full explanation of this'.**

**ANSWER:** This comment was made within the context of encouraging more skilled migrants to settle in regional locations.

In late 2019 a major reform of the skilled regional migration program occurred. Previous migration programs had recognised the need to encourage skilled migrants to settle in regional areas with incentives such as lower occupational and English thresholds and for employers, lower regional salary thresholds. Ironically, while attempting to encourage regional settlement, the government at that time closed the only direct regional permanent residency pathway, the Regional Sponsored Migration Scheme (RSMS), Subclass 187 visa.

The Skilled Employer Sponsored Regional (SESR), Subclass 494, was introduced with a higher eligibility threshold than the Temporary Skills Shortage (TSS) Subclass 482 visa. This is demonstrated in the table below:

Requirements	Temporary Skill Shortage - Subclass 482	Skilled Employer Sponsored Regional - Subclass 494
<b>Occupations</b>	Total – 508 (across three lists)	Total 650 – (across two lists)
<b>English</b>	Overall 5/ no less than 4.5 in any component	Competent – IELTS 6 in all components * additional VAC for applicants without functional English
<b>Skills assessment</b>	25 specified occupations only	All 650 occupations
<b>Previous experience</b>	2 years in occupation	3 years in occupation
<b>Threshold income</b>	\$53,900 (\$70,000 from 1 July 2023)	\$53,900 (\$70,000 from 1 July 2023)
<b>Eligibility for PR</b>	SC 186 – two/ three years*	SC 191 - After three <i>financial</i> years
<b>Health Insurance</b>	Own cost	Eligible for Medicare

Source: Migration Regulations 1994 \*Concessions to two years are available in some circumstances.

Where an occupation appears on the occupation lists approved for the TSS Subclass 482 visa this can be utilised in metropolitan and regional areas. However, of the 650 occupations approved for sponsorship under the SESR Subclass 494 visa, 131 occupations cannot be sponsored under any other

visa. While this may 'push' migrants with those occupations to consider regional settlement, at least in the short term, there are inherent disincentives to do so. These include:

- Skills assessments – all SESR Subclass 494 applicants are required to undertake a skills assessment as opposed to only 25 of the TSS Subclass 482 approved occupations. These skills assessments may range in cost from several hundred to over a thousand dollars.

The majority of the SESR Subclass 494 only occupations require the applicants to hold formal educational qualifications before they can obtain a skills assessment. Only 25 of the TSS Subclass 482 occupations require assessment, meaning that applicants for the remaining 483 occupations can be sponsored on the basis of prior work experience alone (unless occupational registration or licensing is required for the occupation in Australia).

- Applicants require an additional year of previous work experience in the occupation than TSS Subclass 482 applicants.
- Higher English language levels are required of SESR Subclass 494 applicants. Those that cannot meet the required IELTS 6 equivalent 'competent' level can pay an *additional* fee of \$9,800 for the primary applicant and \$4,980 for each other secondary applicant who does not meet the competent English level, on top of the thousands of dollars in visa application fees.



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**QUESTION 2:** ‘The other thing is that we haven't spoken about housing. If we're going to increase the number, which is one of your recommendations, by another 30,000 people, housing is already, as I am sure you're aware, a critical issue. I would be very interested in you providing on notice your proposal on fixing that issue and the infrastructure required’.

**ANSWER:**

It is our understanding that the key reasons for the housing shortage are:

- Reduced construction activity throughout the last three years due to the pandemic (lockdowns shuttering activity, increased compliance and risk costs and border closures resulting in supply of skilled labour shortages); and
- Ongoing elevated risks and costs for new development proposals meaning developers are not committing to new developments (primarily labour and material supply concerns as well as higher holding costs arising from higher interest rates)

The government could increase supply by:

1. Providing financial support to builders to overcome development risks
2. Increasing the supply of skilled construction workers to support construction industry growth

To increase the supply of workers, the Australian government could introduce measures to make it more accessible for employers to sponsor workers from overseas in *specific occupations* relevant to housing construction and infrastructure development. These workers would be doing exactly what this Committee is inquiring into – *Nation Building*.

### **Priority processing / critical industry status**

The Government could add construction occupations to the list of critical occupations with health and teaching occupations under Ministerial Direction 100.

The construction industries could be added to the critical industries for visas such as the Subclass 408 visa.

### **Longer term strategy – encouraging international students into construction fields**

Currently, there are barriers for international students to qualify for a temporary graduate visa following completing an Australian trades course. Currently most trades courses are 18 months, which is insufficient in length to qualify for a suitable graduate visa. Without this pathway they leave Australia.

If these students were able to obtain a graduate visa allowing them to work in Australia for 2-4 years, they would also be able to eventually qualify for a general skilled migration visa (provisional or permanent) or an employer sponsored visa. This would provide more skilled construction workers to support the building industry.



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#### QUESTION: 3:

'The committee has heard evidence that secondary visa applicants/partner visa applicants often have skills and experience that are not recognised in the application process and are underutilised within the community/economy.

How can the system better recognise the skills of these secondary applicants/partner visa applicants and assist them into appropriate job placement?

#### ANSWER:

It should first be recognised that secondary visa applicants and partner visa applicants represent two different cohorts. The Continuous Survey of Australia's Migrants demonstrates that migrant partners of Australian citizens and permanent residents have higher skill profiles and have higher workforce participation rates than Australians.<sup>i</sup> Over 50% of family stream partner migrants arrive with bachelor degrees or higher qualifications and 86% overall holding some form of post school educational qualification, higher levels of education than the general Australian population.<sup>ii</sup> However, the participation rate for family and humanitarian migrants do not generally follow the same trend.<sup>iii</sup>

A large amount of information is collected about the skills and experience of secondary applicants during the visa application process. Adult applicants for permanent visas are generally required to complete the Department of Home Affairs Form 80 or Form 1221 which includes questions on the applicant's entire education and employment history. Applicants lodging Expressions of Interest for General Skilled Migration visas are also allocated extra points if they indicate their partner has an occupation on the skills lists.

It would appear that it may be the underutilisation of this data, rather than lack of data that is at issue. This data could be mined for the purpose of recognising secondary applicants' skills and experience or data collection increased during the application process.

The barriers to labour market participation for all migrants have again been the subject of much academic study and are well known. The barriers are varied and dependent on factors including the country of origin, cultural gender and family norms, educational opportunities, recognition of overseas qualifications, English language ability, and other local settlement issues. The Settlement

Council of Australia (SCOA) provides a referenced list of the most common barriers to migrant labour market participation in its submission to the Home Affairs Migration Program Review:

- English language proficiency
- Qualifications recognition and licensing
- Lack of settlement support
- Lack of local work experience
- Lack of childcare
- Lack of affordable housing close to employment
- Limited access to transport
- Racism and discrimination.<sup>iv</sup>

A key barrier to labour market participation may also be discrimination by Australian employers against hiring migrants. The government should consider educative programs to increase awareness of migrants' overseas qualifications and abilities, as means of increasing labour market potential and participation. Similarly, overseas work experience can be routinely dismissed and Australian work experience can be difficult to gain because of resistance by local employers.

Changes to how skills are recognised could be a tool for boosting productivity and labour market participation and the processes for overseas skills recognition should be reviewed to determine if these are hindering migrants' participation in the labour market.

For less skilled migrants, some partners and humanitarian migrants, the barriers to labour market participation may be more fundamental and require access to English language tuition, low cost education and supportive employment services.

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<sup>i</sup> Department of Home Affairs, **Continuous Survey of Australia's Migrants – Cohort 6 Report – Introductory Survey 2018**, p 10, <https://www.homeaffairs.gov.au/research-and-stats/files/csam-cohort6-report-introductory-survey-2018.pdf>

<sup>ii</sup> Department of Home Affairs, Continuous Survey of Australia's Migrants, 2019, p 23  
<https://www.homeaffairs.gov.au/research-and-statistics/research/live/continuous-survey-australianmigrant>

<sup>iii</sup> Department of Treasury: The Lifetime Impact of the Australian Permanent Migration Program, 2021, p 13.  
<https://treasury.gov.au/publication/p2021-220773>

<sup>iv</sup> Settlement Council of Australia: A migration system for Australia's future, Dec 2022, p1. [https://scoa.org.au/wp-content/uploads/2022/12/SCOA\\_Migration-Program-Review-Paper.pdf](https://scoa.org.au/wp-content/uploads/2022/12/SCOA_Migration-Program-Review-Paper.pdf)



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**QUESTION 4:** ‘The committee has heard that there is a disincentive for such skilled secondary applicants/partner visa applicants applying for their own skilled visa.

How can the system better align application processes for visa applicants from the same family unit that are applying for separate skilled visas to ensure that such families do not face the prospect of separation irrespective of visa application outcomes?’

**ANSWER:** It must be recognised that skilled secondary applicants and partner visa applicants are different cohorts and may have a variety of reasons for making the choice to apply or not apply for their own skilled visas.

For skilled secondary applicants the largest disincentive would be the cost of the application. A secondary applicant can be included in the primary applicant’s application for half the cost of applying for a skilled visa in their own right. Secondary applicants to temporary working visas also have the advantage of not having any visa conditions imposed on their employment or work, as the primary applicant does eg must work only work for the sponsoring employer, must only work in the nomination occupation, must work full time.

The reason a potential partner applicant would choose that visa over a skilled visa is less clear. Assuming an applicant was eligible to apply for both a partner and a skilled visa, they would be better advised to apply for the latter, as the cost of a partner visa is around twice that of a skilled visa. The applicant would also not be affected if the relationship broke down. Skilled visa processing times are also much shorter than the up to two years wait for partner visa grants. However, the migrating partner may find the requirements and limitations of a skilled visa unacceptable, their occupation would need to be on a skills list, they may need to obtain a skills assessment, be sponsored by an employer and have visa conditions on their employment as mentioned above. Another reason may simply be a lack of knowledge of options other than the partner visa.

As both options are freely available and both have the same effect of introducing skilled migrants into the Australian labour market, it makes little sense to introduce another unnecessary pathway of family members applying for separate skilled visas and trying to align the processing of multiple family applications.