

Joint Standing Committee on Migration

QUESTION ON NOTICE

Inquiry into Australia's Skilled Migration Program

Date of hearing: 12 May 2021

Outcome: National Skills Commission (NSC)

Department of Education, Skills and Employment Question No. IQ21-000032

The Committee provided in writing.

Labour agreements and skills shortages

Question

- 1) Before the pandemic, how many labour agreements had you reviewed? In which industries were they?
- 2) Since the pandemic, how many labour agreements have you reviewed and in what industries?
- 3) How many of those labour agreements have you recommended for approval or rejection and on what basis?
- 4) What role do your predictions of skills shortages play in these determinations?
- 5) You are obviously aware of the chronic shortage of both skilled and semi-skilled workers required in the aged care sector. The Royal Commission into aged care highlighted this as a considerable cause of some of the shortcomings in the aged care sector. How would you propose that positions would be filled in the short and medium term?
- 6) Can you provide comment on the demand from Australians seeking training to enable them to take up these positions in aged care?
- 7) Do you believe there is enough capacity in the Australian workforce to do the work required in aged care both in the short and medium term? If so, please provide us with details.
- 8) It is perceived that many Australian workers are not attracted to this kind of work and therefore employers find it difficult or near impossible to find sufficient workers to fill the vacant positions that exist. Can you comment?
- 9) Would Labour Agreements be a useful method to assist employers to provide an adequate workforce?

Answer

The National Skills Commission (NSC) has provided the following response:

- 1) For the 12 months to 1 March 2020 (i.e. before the start of the COVID-19 pandemic), the Department of Home Affairs sought labour market data and information from the then Department of Employment, Skills, Small and Family Business (DESSFB), on five (5) company specific Labour Agreement requests. These requests cover the Manufacturing; Electricity, Gas, Water and Waste Services; and Health Care and Social Assistance industries.
- 2) For the 12 months from 1 March 2020 (i.e. since the start of the COVID-19 pandemic), the Department of Home Affairs sought labour market data and information from the area of DESSFB that is now part of the NSC, on nine (9) company specific Labour Agreements. These covered the Accommodation and Food Services; Agriculture, Forestry and Fishing; Construction; Education and Training; Health Care and Social Assistance; and Manufacturing industries.
- 3) The labour market data and information from then DESSFB and now NSC to the Department of Home Affairs, is part of a broader stakeholder consultation process for

Labour Agreements. This labour market data and information is not provided on a support or reject basis, nor is it determinative for the purposes of a Department of Home Affairs decision on a Labour Agreement request.

- 4) The skill shortage research findings published by the then DESSFB were not at sufficiently disaggregated level to be relevant to advice on most company specific Labour Agreement requests. The NSC's Skilled Priority List—be published from July 2021—may form part of labour market data and information from the NSC to future referrals from the Department of Home Affairs for advice on company specific Labour Agreements.

- 5) 6) 7) and 8)

On 9 March 2021, the National Skills Commissioner was tasked by the Prime Minister, to undertake an in-depth study on factors affecting the supply and demand of care workers. The Study will examine the needs of the care and support workforce, in relation to aged, disability, veteran and mental health care, both in the near term and longer term to 2050.

The Study will have regard to the findings of the Royal Commission into Aged Care Quality and Safety, and lessons to date from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, and implications for workforce that may stem from them.

The Study will draw on the extensive work already undertaken by governments, industry, peak bodies and advocacy groups, and will be supplemented by additional research and analysis from the National Skills Commission. Further insight is also being sought through a public submission process, which is open from 19 May to 16 June 2021.

The Study's final report will be provided to the Minister for Employment, Workforce, Skills, Small and Family Business by 30 September 2021 and will inform the Australian Government's care workforce strategy.

- 9) Labour Agreements have been concluded for occupations relevant to, and businesses operating in the Aged Care Sector. A list of current Labour Agreements is on the Department of Home Affairs' website at <https://immi.homeaffairs.gov.au/visas/employing-and-sponsoring-someone/sponsoring-workers/nominating-a-position/labour-agreements/list-of-current-labour-agreements>.

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QUESTION ON NOTICE

Date of hearing: 12 May 2021

Outcome: National Skills Commission (NSC)

Department of Education, Skills and Employment Question No. IQ21-000037

Mr Julian Hill MP on 12 May 2021, Proof Hansard page 2

List of Categories

Question

Mr HILL: Do you have a list of the categories or the numbers of free trade agreement driven things that have popped into the skills shortage list, the skilled migration list?

Mr Boyton: I would have to take that on notice. My thinking is that it may sit with another agency.

Ms VAMVAKINO: But that goes to the core of the question I wanted to ask you, within that broader skill shortage. Certain skills come up on the list, and you look and you think: 'Where are they? What are they?' We're trying to understand how much of it is free trade agreement. And I'm going to ask you about what these international obligations are, other than the FTAs, and how they relate to vocational education, just to get a better picture of what's really happening on the ground and beyond in terms of our bilateral and multilateral relationships.

Mr Boyton: I think on some of those we will take on notice the question of the scope of what might be covered by a free trade agreement.

Answer

The National Skills Commission has provided the following response.

The Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs is the decision maker on the composition of the skilled migration occupation lists (SMOL), which comprise the Short Term Skilled Occupation List (STSOL), the Medium Long Term Strategic Skills List (MLTSSL) and the Regional Occupations List (ROL).

The current SMOL which came into effect on 11 March 2019 were based on advice from the then Minister for Employment, Skills, Small and Family Business. In addition to the outcomes of labour market analysis, this advice took into consideration stakeholder submissions and consultation with Commonwealth departments on occupations that support broader Australian Government strategies and policy measures.

The Department of Foreign Affairs and Trade is best placed to discuss Australia's temporary entry commitments under various Free Trade Agreements and the World Trade Organization's General Agreement on Trade in Services.

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QUESTION ON NOTICE

Date of hearing: 12 May 2021

Outcome: National Skills Commission (NSC)

Department of Education, Skills and Employment Question No. IQ21-000038

Mr Julian Leeson MP on 12 May 2021, Proof Hansard page 2

Industry Groups

Question

CHAIR: Can you tell us which industry groups you consulted and how many you consulted?

Mr Boyton: There have been a range of them.

CHAIR: You might want to take that on notice.

Mr Boyton: I'll take that on notice.

Answer

The National Skills Commission has provided the following response.

The Skills Priority List (SPL) stakeholder survey is in line with the Department of Education, Skills and Employment's (the Department) Privacy Policy. At the top of the survey, there is a Privacy Notice, which advises submitters of the National Skills Commission's (NSC) purpose for collecting personal information, handling of this information and disclosure obligations under the *Privacy Act 1988*.

There are two questions at the end of the survey covering consent:

- The first question asks submitters whether they give consent to the NSC and the Department to use the views expressed by their organisation in response to the survey in its publications.
- The second question asks submitters whether they give consent to the NSC and the Department to attribute the views expressed in response to the survey to their organisation by name, or, whether they would prefer that they be reported anonymously. This second question is only asked if submitters respond 'Yes' to the first question.

How submitters answer these questions determines how the submissions, and the views expressed in response to the survey, are treated.

As at 24 May 2021, the NSC had contacted approximately 308 representative bodies as part of the SPL stakeholder process. The types of bodies targeted included peak bodies, industry groups, professional associations, unions, and regional representative bodies.

- Of the stakeholders contacted, 111 provided a submission to one of the two surveys (conducted in September-October 2020 and February-March 2021), or via direct contact with the NSC. This included 67 peaks/industry groups, 22 regional bodies, 9 unions and 13 other stakeholders.
- Of the stakeholders who made a submission to the process, 48 stakeholders gave consent to attribute their views to their organisation. A full list of these stakeholders is attached.

National Skills Commission - Skills Priority List

List of stakeholders who made submissions for public attribution

Sept-Oct 2020 SPL stakeholder survey

Stakeholder

Australian Beverages Council
Interactive Games and Entertainment Association
Regional Development Australia Barwon South West
National Fire Industry Association
City of Kalgoorlie-Boulder
Maritime Industry Australia Limited
Ausfilm
The Australian Furniture Association
Financial Planning Association of Australia
Australian Veterinary Association
Australian Meat Industry Council
Australian Balustrade Association
Australian Association of Progressive Repairers
Regional Development Australia Darling Downs
Housing Industry Association
Australian Maritime Officers Union
Strata Community Association
Clean Energy Council
Australian Federation of Air Pilots
Master Electricians Australia
Deloitte Tax Services
KPMG Australia
Association of Consulting Surveyors National Ltd
Motor Trades Association of Australia
Advanced Manufacturing Growth Centre
Speech Pathology Australia
Australian Institute of Quantity Surveyors
Minerals Council of Australia
Independent Group of Masterchefs and Restaurateurs
Australian Glass and Window Association
Federal Chamber of Automotive Industries
Regional Development Australia Northern Inland

Feb-Mar 2021 SPL stakeholder survey

Stakeholder

Restaurant and Catering Association of Australia
City of Kalgoorlie-Boulder
Regional Development Australian Murray
Australian Maritime Officers Union
Master Builders Australia
Natural Energy Resources Australia
Australian Drilling Industry Association
Aviation Maintenance Repair and Overhaul Business Association
Australasian Association of Convenience Stores
Electrical and Communications Association of Western Australia
PrefabAUS
Electrical Trades Union
Speech Pathology Australia
Australian Dental Association
Recruitment Consultant and Staffing Association
Strata Community Association

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QUESTION ON NOTICE

Date of hearing: 12 May 2021

Outcome: National Skills Commission (NSC)

Department of Education, Skills and Employment Question No. IQ21-000039

Mr Julian Leaser MP on 12 May 2021, Proof Hansard page 2

Skills Priority List

Question

CHAIR: When last year did you start it?

Mr Boyton: Mr Turvey, do you—

Mr Turvey: I would have to give you a precise date on notice, but I think it was around September.

Answer

The National Skills Commission has provided the following response.

The National Skills Commission commenced stakeholder consultation on the Skills Priority List (SPL) on Wednesday 16 September 2020.

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Date of hearing: 12 May 2021

Outcome: National Skills Commission (NSC)

Department of Education, Skills and Employment Question No. IQ21-000040

Mr Julian Leeson MP on 12 May 2021, Proof Hansard page 4

Data

Question

CHAIR: I think this committee would be well served by understanding your sources of data in a comprehensive way. I don't know if that's something you want to talk to now or take on notice.

Mr Boyton: I'm very happy to take that on notice.

Answer

The National Skills Commission has provided the following response.

The Skills Priority List (SPL) is a new research program developed by the National Skills Commission (NSC).

The SPL will help policy makers understand the skilled workforce needs of the Australian economy and may be used to inform policy and program responses, for training and employer incentives, and as input to future updates to the Skilled Migration Occupation Lists (SMOL).

The evidence supporting the assessment of occupations for the SPL includes:

- A labour market analysis component which uses an indicator model to look at a range of labour market data to help assess which occupations are currently in shortage including:
 - ABS Labour Force Survey
 - NSC Internet Vacancy Index
 - NSC Employment Growth Projections
 - Australian Taxation Office Salary Data
 - Burning Glass Data
 - Department of Home Affairs Subclass 457/482 Temporary Visa Grants
 - Census 2016 Data
- Surveys of employer identifying quantitative and qualitative data regarding the employer's recruitment experience.
- A stakeholder component which includes:
 - consultation with peak bodies, industry groups, professional organisations, unions and regional representative bodies. Engagement involve a twice-yearly online survey and follow-up face-to-face meetings with peak, industry and employee groups as appropriate.
 - consultation with federal and state/territory governments on occupations relevant to their agencies or regions.

- A future demand rating (strong, moderate or weak) to indicate the likely demand for the occupation over the coming five year period). The future demand rating is developed using the NSC Employment Growth Projections and Replacement Rate data.
- A final analysis of other data relevant to the occupation. The below list is not exhaustive but outlines some of the additional sources which are considered in the assessment of occupations.
 - Occupation and industry assessments made by the NSC
 - Studies, assessments and reports by federal government departments
 - State and territory government occupation and industry findings
 - Relevant skills needs or workforce planning information from government departments or industry groups
 - Industry activity statistics, projections and reports
 - Media articles
 - Presentations and speeches by industry groups, unions, workforce associations and government.

For the purposes of the SMOL, the NSC will undertake supplementary labour market analysis that is relevant from a migration perspective. The additional datasets for this SMOL analysis will include:

- Department of Home Affairs (conducted by the Social Research Centre) Continuous Survey of Australian Migrants
- Department of Home Affairs Subclass 457/482 Temporary Visa Holders
- Department of Home Affairs Subclass 457/482 Temporary Visa Holders Median Base Nominated Salary (unpublished)
- ABS Employees, Earnings and Hours Median Earnings by Unit Group and Major Group (custom data order)
- ABS Wage Price Index, Table 1, series ID A2713851R
- QILT Graduate Outcomes Survey
- National Centre for Vocational Education Research VET Completions
- ABS Survey of Education and Work, Highest level of educational attainment by occupation

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Date of hearing: 12 May 2021

Outcome: National Skills Commission (NSC)

Department of Education, Skills and Employment Question No. IQ21-000041

Mr Julian Hill MP on 12 May 2021, Proof Hansard page 6

Skilled Migration Shortage List

Question

Mr HILL: Just on the issue about occupations that are on the SMOL or the PMSOL that are not identified skills shortages—just to make sure the question on notice is clear—I am interested in getting a list of all of the occupations that are on any of the skilled migration shortages lists that are not on the skills shortage lists and then an explanation as to why they're on there. Are they driven by FTAs or other agreements? So it's a gap analysis, effectively. You've got a skills shortage list. You've got some migration lists. What are all the occupations on the migration lists that are not identified skills shortages. I'm just curious. Is that possible?

Mr Boyton: We'll have a look and see if that's possible.

Ms Press: I just want to clarify the question, because, for the purposes, for example, of the TSS visa, or the temporary skill shortage visa, at the moment we've got 508 occupations on those lists.

Mr HILL: That's good. How many of those are identified skills shortages?

Ms Press: You just want the number?

Mr HILL: No. I want a list. The point I am getting to is: I want to know every occupation that is on any migration list that is not an identified skills shortage and why it's there. That's not an unreasonable question, is it?

Mr Boyton: We'll have a look and see what we can do there, just noting that skills shortage analysis was paused during the height of the pandemic last year.

Mr HILL: Sure. I understand it may not be up to date, but the lists are frozen in time.

Mr Boyton: We'll take that on notice and see what we can provide.

Answer

The National Skills Commission has provided the following response.

For the three lists that collectively comprise the Skilled Migration Occupation Lists (SMOL) for the Temporary Skill Shortage (TSS) visa program, the table below provides information on the number of occupations that were in national shortage in 2019 and/or that reflect consultation with Commonwealth departments and agencies as supporting broader Australian Government strategies and policies.

These columns are not additive as any one occupation may be included in more than one category or none.

The Department of Foreign Affairs and Trade is best placed to discuss Australia's temporary entry commitments under various Free Trade Agreements and the World Trade Organization's General Agreement on Trade in Services.

| | Number of occupations on list for TSS visa program at 11 March 2019 | Number of occupations on Department of Employment's Skill Shortage List (2019)* | Number of occupations identified by Commonwealth departments and agencies as supporting broader Australian Government strategies and policy measures |
|------------|---|---|--|
| STSOL | 215 | 9 | 42 |
| MLTSSL | 216 | 39 | 71 |
| ROL | 77 | 2 | 21 |
| SMOL Total | 508 | 50 | 124 |

* The Skill Shortage List (National) published by the former Department of Employment, Skills, Small and Family Business has a different purpose and methodology to the Skilled Migration Occupation Lists.