

Chapter 1

Introduction

Conduct of the Inquiry

1.1 On 18 October 2018 the Senate referred the following matter to the Legal and Constitutional Affairs References Committee for inquiry and report by the first sitting day of March 2019:

The effectiveness of the current temporary skilled visa system in targeting genuine skills shortages, with particular reference to:

- (a) the interaction between the temporary skilled visa system and the system in place for training Australian workers, including how a skills shortage is determined;
- (b) the current skills assessment regime, including but not limited to, the correct application of ANZSCO codes and skills testing requirements;
- (c) the relationship between workers on skilled visas and other types of visas with work rights, including the rationale and impact of the 400 visa;
- (d) the effectiveness of the current labour market testing arrangements;
- (e) the adequacy of current skilled visa enforcement arrangements, with particular regard to wages and conditions and access to information about rights and protections;
- (f) the use and effectiveness of labour agreements; and
- (g) related matters.¹

1.2 The committee called for written submissions to the inquiry by 14 December 2018, and received 50 written submissions from organisations and individuals.

1.3 The committee held three public hearings for the inquiry: in Mackay, on 5 March 2019; in Sydney, on 6 March 2019; and in Perth on 7 March 2019.

1.4 The committee thanks all submitters and witnesses who contributed to the inquiry.

Structure of the report

1.5 This report comprises six chapters. Subsequent chapters cover the following issues:

- Chapter 2 provides a brief overview of Australia's current temporary skilled visa system, and discusses the impact of recent changes made to the system;

1 Journals of the Senate, No. 125, 18 October 2018, pp. 3999–4000.

- Chapter 3 outlines how the occupation eligibility settings for the temporary skilled visa system are determined, including the process for determining skills shortages;
- Chapter 4 examines the effectiveness of current labour market testing requirements and the use of labour agreements;
- Chapter 5 discusses the Skilling Australians Fund and local training initiatives to address skills shortages; and
- Chapter 6 considers the visa compliance and enforcement framework for temporary skilled workers in Australia.