



Response to Questions on Notice

Joint Standing Committee on Migration's Inquiry into
Skilled Migration

July 2021

Question 1

CHAIR: Before you go, I want to clarify something you said. The lack of skilled people in Australia is actually causing a disincentive for foreign investment?

Ms Sawczuk: We've had some advice from foreign investors that that has come into play in their decisions. Lynne mentioned a moment ago about intracompany transfers. Often for significant investment projects, companies will bring their entire executive team with them and also will need particular skills obviously that are not available here to run those projects, which creates Australian jobs anyway.

CHAIR: In any particular sectors?

Ms Sawczuk: I don't have any examples. We can certainly provide some examples on notice.

Answer

Australian jobs are created as a result of foreign direct investment (FDI) in any sector. According to the Australian Bureau of Statistics, foreign direct investment (FDI) is responsible for supporting one in ten jobs in Australia, employing 1.2 million people.

Austrade, as the lead government agency responsible for investment promotion, attraction and facilitation, prioritises investment from the following sectors: resources and energy, advanced manufacturing, defence and space, digitech, agribusiness and food, health and infrastructure and tourism.

In 2019-20, Austrade facilitated 117 investment outcomes within these sectors valued at \$4.7 billion which were estimated to have created or retained 8,240 jobs.

Question 2

Mr HILL: Can you take on notice whether there are particular sectors and/or particular visas where you have identified problems with the lack of a pathway [to permanent residency]. I have a default view: we have prided ourselves on being a permanent settler society and we should, by default, provide pathways to permanency for people who do the right thing. There is a bit of 'try before you buy' in temporary migration on both sides. That's alright, but I think the pendulum has swung too far—and that's a view which has been expressed by many. If the government was of a mind to take that more holistic approach, are there particular sectors or occupation codes where you see an issue? I know that the universities, initially and ongoing, have been about researchers. They say, 'How do you attract a researcher to move here for two years if there is no pathway?' But you would see different parts of the economy or the visa system. If we can't swing the pendulum pretty much all to permanent pathways, where are the priorities from Austrade's point of view, where you are seeing a particular impact?

...

Ms Sawczuk: I'm happy to take that on notice. I guess it will be what we have from business intelligence. We might not have all data sources that are relevant, but we can certainly have a look at what we have got from business intelligence.

Answer

Austrade's clients predominantly use the Temporary Skills Shortage (TSS) visa. This visa consists of two main streams – the short term stream (based on the short term skilled occupation list) which allows a two year stay, and the medium term stream (based on the Medium and Long-term Strategic Skills List (MLTSSL)) which allows a four year stay. The medium-term stream offers the clearest pathway to permanent residency.

Austrade clients report visas with a pathway to permanent residency are more attractive when seeking to attract more experienced, mid-career professionals to Australia.

Question 3

Senator SMALL: I gather that this committee is trying not to be political, so I'll spare you a big rant about how hotel quarantine was a unanimous decision of national cabinet last year. And I'll also say that I have only been on this committee for a week, so forgive me for not being fully up to speed with your submission. You mentioned that, where we achieve the right policy outcomes with skilled migration in particular, that could result in increased employment for Australians as well. Do you have any modelling or specific data to support or expand on that? If it's in your submission, please just tell me and I'll make sure I read that later. I want to explore that point a little more.

Ms Sawczuk: We don't have that explicitly in the submission, but we could certainly provide a couple of examples. You could look at foreign investment in a significant project—its value from an economic perspective and the number of jobs that it has created because it has been able to bring the senior executive here and any other skilled labour and the success of that. There could be a couple of examples to demonstrate it from an economic point of view—in particular, the value of the jobs creation, because it does have a multiplier effect.

Senator SMALL: Yes. If you could flesh that out on notice, that would be great.

Answer

Access to skilled migration is an important consideration for foreign companies considering investing in Australia. For example, Japanese general trading houses in Australia use Australia's skilled migration program to bring executive and technical personnel from Japan to Australia to oversee their investments. These companies have invested a total of \$37 billion into Australia, are responsible for over 20 per cent of Australia's exports to Japan, and directly and indirectly employ tens of thousands of Australians. Mitsui, just one of the eight general trading houses in Australia, estimates its Australian joint ventures employ over 20,000 Australians.

Another significant Japanese investment in Australia, Inpex's USD\$34 billion Icthus LNG project in Northern Australia, was estimated to have generated 11,000 local jobs and work for 1,000 local businesses during construction. The project is forecast to generate \$195 billion in exports for Australia, \$73 billion in taxation revenue for Australian governments and will create 1,800 full time jobs per annum over 40 years (on average).