

NATIONAL OFFICE

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

T. 02 9922 4711 F. 02 9957 2484
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

Thursday, 20 June 2013

Committee Secretary

Senate Legal and Constitutional Affairs Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

Thank you for this opportunity to make a submission to the Senate Legal and Constitutional Affairs Committee inquiry of the Migration Amendment (Temporary Sponsored Visas) Bill 2013.

About Consult Australia

Consult Australia is the leading not-for-profit association that represents the business interests of consulting firms operating in the built and natural environment. Our member firms' services include design, architecture, technology, engineering, surveying, legal, and management solutions.

We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms. Collectively, our industry is estimated to employ over 240,000 people, and generate combined revenue exceeding \$40 billion a year. The industry operates primarily in the public infrastructure and mining, oil and gas markets.

Context of this submission

Over 2012 and into the current year, business conditions for consulting firms in the built environment has masked systemic labour supply issues that affect employers of professional engineers and other highly specialised professions: although current demand is low, the Australian workforce will be unable to meet long term needs. The current and broad downturn also masks continuing shortages for people with specific and hard-to-find skills such as project managers, and engineers in the civil, structural, environmental, and traffic and transport disciplines. These factors reinforce the importance of maintaining access to a temporary skilled migration program that is responsive to business needs.

The proposed changes to the temporary sponsored visa scheme are based, among other things, on a Government assertion that employers are abusing the temporary worker visa scheme and employing foreign residents when suitably-skilled Australian citizens and permanent residents are available. Statistics collected in the 2013 Consult Australia Skills Survey provide evidence that this government assertion is, for the consulting sector, unfounded. Employers in this sector utilise the 457 visa scheme only when domestic skills shortages necessitate it.

The survey showed that, in 2012, 18 per cent of survey respondents did not recruit anyone from overseas. Fifty nine per cent of survey respondents recruited overseas candidates for just 1-4 per cent of vacant positions. The remaining 24 per cent of survey respondents utilised overseas workers



for five to 15 per cent of vacant positions—a figure that is still well down on previous years. Results for the 2011 survey, for example, show that 20 per cent of firms recruited overseas workers for 16-30 per cent of vacant positions, and all firms recruited at least some people from overseas.

The proposed changes to the temporary sponsored visa scheme are also based on a Government assertion that companies are recruiting overseas workers to reduce employment costs. Consult Australia members are aware of, and ensure compliance with, the requirement to pay temporary skilled workers at least as well as domestic employees performing similar roles.

Further, the cost of employing temporary skilled migrants extends well beyond the wages they are paid. This is due to several factors: sponsorship and visa applications charges; relocation costs; the higher risk of the employee leaving, often due to family difficulties settling into life in Australia; cultural and language differences in the workplace take longer to overcome; and, repatriation costs at the end of employment contracts are the responsibility of the employer.

It is therefore the strong view of Consult Australia that the industry is utilising the subclass 457 visa in the spirit of the legislation and the changes to the Act that increase regulatory burdens on the industry are unnecessary.

Comments on the bill

Consult Australia is most concerned with the process that has been followed to introduce the bill. Industry has not been effectively consulted on the reforms, nor is there evidence of an assessment of regulatory and non-regulatory options. The poor process undermines employer confidence in government and creates business uncertainty that is harmful to the broader economy.

Consult Australia is also concerned with the proposal to introduce labour market testing requirements and the associated requirement to maintain evidence of such testing. It is already in an employer's interest to test the domestic labour market for the reasons stated earlier and government resources would be more effectively focussed on enforcement of existing sponsorship requirements. The administrative burden of maintaining records would be high and provide little overall benefit to the community at significant cost to business.

The bill provides exemptions from labour market testing in circumstances where the skill level of the nominated occupation is equivalent to Skill level 1 or Skill Level 2 as provided for in the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The Minister for Immigration has stated that he intends to make a legislative instrument to exempt "most, but not all, Skill Level 1 occupations." Consult Australia suggests that, if labour market testing requirements are introduced, the Act should provide for exemptions to labour market testing for any occupation, and that exemptions are based on industry-informed research.

Yours sincerely,

Megan Motto
Chief Executive