

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



Chamber of
Commerce
NORTHERN TERRITORY

Dear Sir/Madam

I am writing to make a submission on behalf of the Chamber of Commerce NT on the review of the current framework and operation of subclass 457 visas, Enterprise Migration Agreements and Regional Migration Agreements. Our submission pertains primarily to Regional Migration Agreements, as the Federal Government announced in February 2012 that the first RMA would be in the Greater Darwin Area. To date, this has not been approved by the Federal Government and, with the construction of the \$34 billion INPEX LNG project due to ramp up in June 2013, we believe that local small to medium sized businesses will be unable to readily replace skilled labour lost to the project without access to an RMA..

The Chamber of Commerce is the Northern Territory's largest industry association, representing more than 1300 businesses across the Northern Territory. We have Regional Executive Committees in place in Darwin, Nhulunbuy, Katherine, Tennant Creek and Alice Springs. In February we surveyed our membership on the issue of skilled migration and I have attached a copy of the survey results. Of particular note, 56% of respondents expect to lose staff to large resource projects in the coming year and 40% are to likely to recruit skilled migrants in the coming year.

Responses to individual questions posed by the committee are highlighted in blue.

(a) their effectiveness in filling areas of identified skill shortages and the extent to which they may result in a decline in Australia's national training effort, with particular reference to apprenticeship commencements;

Regional Migration Agreements will perform an essential role in low unemployment labour markets such as Darwin, with an unemployment rate below 2% in urban areas, Alice Springs less than 3% (see attached excerpts from DEEWR Small Area Labour Markets statistics). Within these tight labour markets there are negligible impacts of 457 visas on apprenticeship commencements.

(b) their accessibility and the criteria against which applications are assessed, including whether stringent labour market testing can or should be applied to the application process;

Given the low unemployment rates mentioned above, local labour market testing should not be required in RMA areas. The majority of employers in the Greater Darwin area have experienced skill shortages for such an extended period that they have given up advertising positions vacant as a waste of money.

GPO Box 1825 Darwin NT 0801 Australia • 5/4 Shepherd Street Darwin NT 0800 Australia

Tel: +61 8 8982 8100 • Fax: +61 8 8981 1405

Email: info@chambernt.com.au • Web: www.chambernt.com.au

Northern Territory Chamber of Commerce & Industry Inc. ABN 36 160 572 513

A founding member of 

The Voice of Territory Business

(c) the process of listing occupations on the Consolidated Sponsored Occupations List, and the monitoring of such processes and the adequacy or otherwise of departmental oversight and enforcement of agreements and undertakings entered into by sponsors;

Consolidated Sponsored Occupations List is a very Eastern seaboard specific list and does not take into account regional considerations. It also excludes occupations in the aged and childcare sectors, which is impacting negatively on the workforce in the Greater Darwin area because of the extreme shortage of childcare workers. Mothers are unable to join the workforce due to unavailability of childcare places and the business community is losing access to valuable skills that this group possess.

(d) the process of granting such visas and the monitoring of these processes, including the transparency and rigour of the processes;

We accept that processing of decision ready visas is commendable but this is largely due to the drop off in visa applications. This is largely due to a lack of business confidence in skilled migration visas due to recently added complexity and political hyperbole.

(e) the adequacy of the tests that apply to the granting of these visas and their impact on local employment opportunities;

The Chamber considers that the current 457 visa system is already surrounded by too much red tape. In a labour market where chronic skill shortages have been a fact of life for decades, any further regulation is regarded as over-kill. The impact on local employment opportunities in a labour market with such consistently low unemployment rates is negligible.

(f) the economic benefits of such agreements and the economic and social impact of such agreements;

The availability of EMS's and RMA's is critical to new investment in the resources sector. An RMA in the Greater Darwin area is critical to the continued operation of the local economy as local skilled workers take up opportunities on the Ichthys LNG project. As was observed during the construction of the Darwin LNG plant in 2002-3, many local companies lost employees to higher paying positions on the project and would have been unable to replace them without access to 457 visas under the then regional concessions. The alternative is a large spike in cost of living as employers have to compete for scarce labour. There are major issues on project completion as local employees wish to be re-employed in their former work places, if there have been permanent employees appointed in their stead. A 457 visa program lessens the risk of this happening.

(g) whether better long-term forecasting of workforce needs, and the associated skills training required, would reduce the extent of the current reliance on such visas;

The issues surrounding skills shortages are largely due to remoteness of opportunities and lack of mobility in the Australian workforce.

(h) the capacity of the system to ensure the enforcement of workplace rights, including occupational health and safety laws and workers' compensation rights;

These areas are heavily regulated already and employers are required to meet stringent guidelines for all of their staff, including any 457 visa holders. The introduction of more red tape surrounding these areas is not supported by the local business community.

(i) the role of employment agencies involved in on-hiring subclass 457 visa holders and the contractual obligations placed on subclass 457 visa holders;

Many smaller employers do not possess the skills or networks to be able to source 457 visa holders and the role of migration agents and employment agencies in facilitating access to potential workers is an important one..

(j) the impact of the recent changes announced by the Government on the above points;

The 457 visa program has widespread support from employers in the Northern Territory, due to its responsiveness to business need as an uncapped, demand-driven, flexible program. However, any moves to limit its flexibility will make it less attractive and discourage business investment, which is often underwritten by availability of labour. There is no evidence in the Northern Territory to suggest widespread abuse of the system and the proposed changes are unnecessary in this jurisdiction.

(k) any related matters.

The Federal and Territory governments jointly announced in February 2012 that Darwin would be the first region to be covered by a Regional Migration Agreement. Forecasting conducted by the NT Government over the past few years has shown that the current NT workforce of 124,000 will increase by 20,000 over the next 5 years. Without access to the full array of recruitment options, including a Regional Migration Agreement, the local economy will continue to suffer as staff are employed on higher paying positions on resource projects. The Northern Territory government and the business community have continued to train local people and try to source skilled people from interstate. These efforts are still not meeting the on-going skilled labour requirements of the local economy.

We are also a founding member of the Australian Chamber of Commerce and Industry and are fully supportive of the submission made to this committee by ACCI.

Please contact the undersigned on _____ if you require any further clarification in relation to the above.

Yours faithfully

~~Greg Bicknell~~
Chief Executive Officer

3 May 2013

CHAMBER OF COMMERCE NT
REPORT – THREE QUICK QUESTIONS

TOPEND SKILLED MIGRATION

FEBRUARY 2013

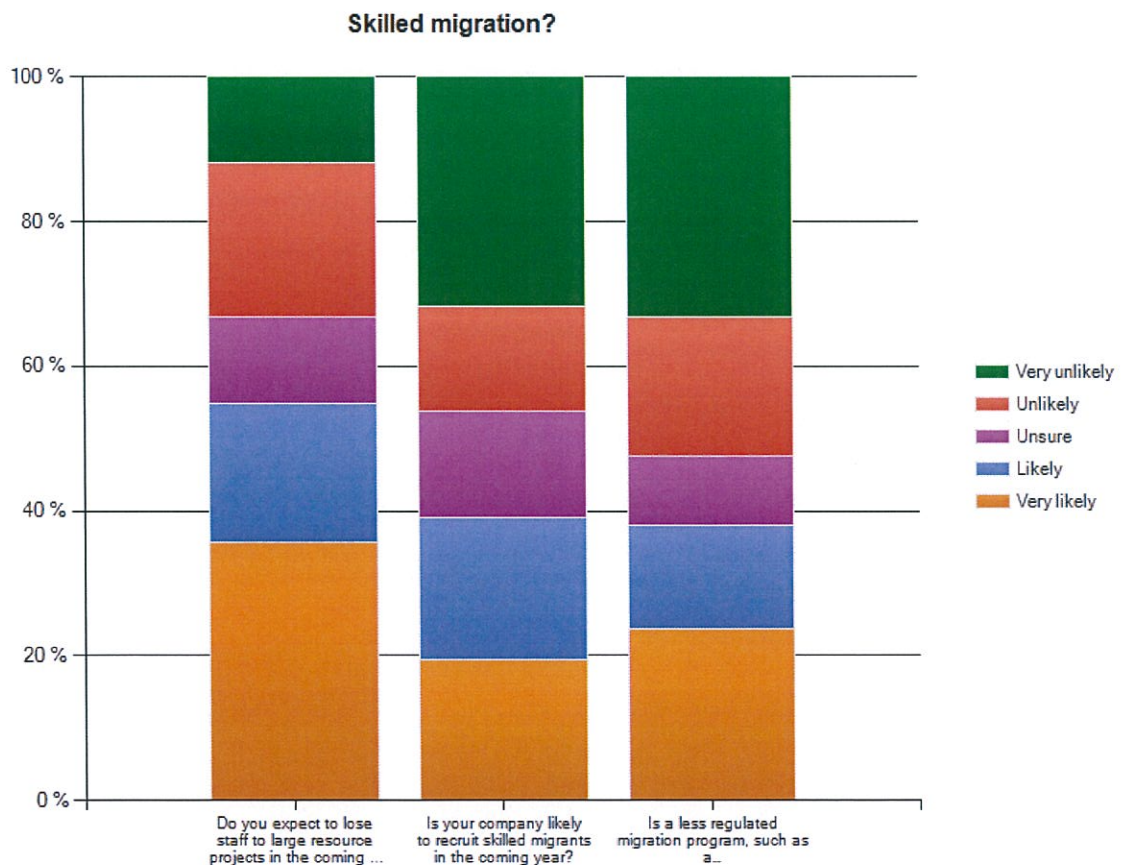
Background

This was the first in a series of monthly snapshots of member views on a range of topical issues. The results of these surveys assist the Chamber develop policy position papers, through the Chamber’s Board Policy sub-committee.

This survey drew a response rate of 4% of membership.

The chart below shows 55% of Top End businesses expect to lose staff to resource projects in the coming 12 months and 40% are likely to recruit skilled migrants in the coming year. There was a mixed response to the question regarding a less regulated migration program such as a Regional Migration Agreement.

Top End



Smoothed unemployment rate (%)

Statistical Local Area (SLA)	SLA Code	Dec-08	Dec-09	Dec-10	Dec-11	Sep-12	Dec-12
Alawa	71004	1.8	2.1	1.5	1.7	2.0	1.9
Anula	71008	1.5	1.8	1.4	1.6	1.8	1.7
Bayview-Woolner	71011	1.5	1.6	1.0	1.2	1.3	1.3
Brinkin	71014	1.7	2.1	1.5	1.6	1.9	1.9
City - Inner	71018	5.9	6.3	4.5	5.3	6.5	6.2
Coconut Grove	71024	1.7	2.1	1.5	1.7	2.0	1.9
Fannie Bay	71028	1.5	1.7	0.9	1.2	1.3	1.3
Jingili	71034	1.7	2.1	1.5	1.7	2.0	1.9
Karama	71038	1.5	1.8	1.4	1.6	1.8	1.7
Larrakeyah	71044	1.5	1.7	1.0	1.2	1.3	1.3
Leanyer	71048	1.5	1.8	1.4	1.6	1.8	1.7
Lee Point-Leanyer Swamp	71052	1.3	2.4	1.2	1.2	2.3	2.3
Ludmilla	71054	1.6	1.7	1.0	1.2	1.3	1.3
Malak	71058	1.5	1.8	1.3	1.6	1.8	1.7
Marrara	71064	1.5	1.8	1.3	1.6	1.8	1.7
Millner	71068	1.8	2.1	1.5	1.6	1.9	1.9
Moil	71074	1.8	2.1	1.5	1.7	2.0	1.9
Nakara	71078	1.7	2.1	1.5	1.7	2.0	1.9
Narrows	71084	1.4	1.6	1.1	1.3	1.3	1.3
Nightcliff	71088	1.7	2.1	1.5	1.7	2.0	1.9
Parap	71094	1.5	1.7	1.0	1.2	1.3	1.2
Rapid Creek	71098	1.7	2.1	1.5	1.7	2.0	1.9
Stuart Park	71104	1.5	1.6	1.0	1.2	1.3	1.3
The Gardens	71108	1.6	1.7	0.9	1.3	1.4	1.2
Tiwi	71114	1.8	2.1	1.5	1.7	2.0	1.9
Wagaman	71118	1.7	2.1	1.5	1.7	2.0	1.9
Wanguri	71124	1.7	2.1	1.5	1.7	2.0	1.9
Winnellie	71128	1.6	1.5	0.8	1.1	1.5	1.1
Wulagi	71134	1.4	1.8	1.3	1.6	1.8	1.7
City - Remainder	71138	2.3	2.2	1.5	1.9	2.2	2.2
Total labour force - Darwin		47565	50205	49956	50605	52013	52201
Total unemployed - Darwin		849	1042	715	851	1011	974
Unemployment rate - - Darwin		1.8%	2.1%	1.4%	1.7%	1.9%	1.9%
Bakewell	72802	0.6	0.9	0.7	1.0	1.2	1.1
Driver	72804	2.6	3.0	2.2	2.3	2.7	2.7
Durack	72806	2.6	3.0	2.1	2.4	2.7	2.7
Gray	72808	2.5	3.0	2.1	2.4	2.7	2.7
Gunn-Palmerston City	72811	0.6	0.9	0.7	1.0	1.1	1.1
Moulden	72814	2.6	3.0	2.2	2.4	2.7	2.7
Woodroffe	72818	2.5	3.0	2.1	2.4	2.8	2.7
Palmerston (C) Bal	72824	1.4	1.8	1.3	1.5	1.8	1.7
Total labour force - Palmerston		15138	15977	15898	16108	16556	16615
Total unemployed - Palmerston		286	367	264	305	364	359
Unemployment rate - - Palmerston		1.9%	2.3%	1.7%	1.9%	2.2%	2.2%
Total labour force - GDA		62,703	66,182	65,854	66,713	68,569	68,816
Total unemployed - GDA		1,135	1,409	979	1,156	1,375	1,333
Unemployment rate - GDA		1.8%	2.1%	1.5%	1.7%	2.0%	1.9%

Source: Dept of Education, Employment and Workplace Relations Small Area Labour Markets publication