



Tasmania

***Joint Standing Committee on Migration –
Review of Australia’s Skilled Labour
Migration and Temporary Entry Programs***

Tasmanian Government Submission

November 2003

Why Skilled Migration?

The Tasmanian Government believes that skilled migration provides many benefits to Australia. Not only does skilled migration bring people with experience and skills that enhance the workforce to Australia, it also provides Australia with a culturally diverse community. Moreover, directly addressing skills shortages through migration offers Tasmania significant benefits.

For example, Hydro Tasmania, a government owned business enterprise, has sought skilled migrants to fill a number of roles due to shortages in specialised areas. This shortage of specialists has been heightened by the emergence of new industries and skill sets which, in Hydro Tasmania's case, often results from importing new technology. Often, there is no training or work experience available in these infant industries, and as a result, there are national and international shortages of skilled workers.

De-skilling the Workforce? How well do the current migration arrangements handle the risk that recruiting skilled migrants could reduce opportunities for Australians?

The current skilled migration system safeguards against skilled migrants reducing the opportunities available to Australians.

Skilled migrants are not depriving Australians of jobs – they are creating jobs and contributing to the growth and development of the Australian economy through the additional demand for goods and services their presence creates. Many businesses, particularly in rural and regional areas, face limited opportunities for growth due to skills shortages. Skilled migration helps to remove this barrier to growth.

Australia was built on immigration and much of the economic growth of the past decade is underpinned by new arrivals. However, priority and resources must also be given to increasing training opportunities for Australian citizens and permanent residents, particularly in areas such as Tasmania where the proportion of skilled workers is lower than the national average.

It is important that the Federal Government recognises that relying upon skilled migration to continually meet labour shortages is not the only way of dealing with the issue. If a skills shortage is identified, particularly over the medium to long term then other responses, such as reshaping our education and training system, should be implemented. This will ensure that opportunities exist for Australians and that economic growth is not dependent upon recruiting skilled labour from overseas.

Wasted Talent: Do Australia's migration arrangements maximise the opportunities for migrants with skills to make a contribution?

The majority of permanent skilled migrants who settle in Tasmania do so through the Regional Sponsored Migration scheme and, more recently, the State/Territory Nominated Independent (STNI) visa program.

There is evidence that skilled migrants are working in less skilled jobs because some employers do not view overseas qualifications as favourably as Australian training. However, the combined effect of a more restrictive points test and the significant percentage of overseas students applying for skilled migration after post-compulsory study in Australia should ensure that "wasted talent" is the exception rather than the rule.

Recognition of Qualifications: How well do the present migration arrangements ensure that migrants' skills are accepted?

The problem with this issue is that while the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) may accept a migrant's skills for the purposes of an application for migration, potential employers may not, particularly if those skills were acquired in a country whose standards of education and training are perceived by employers as inadequate.

The need for some migrants to undertake additional study in Australia or accept limitations on their work rights as a condition of professional registration/recognition can further cloud the issue of skills recognition.

Permanent or Temporary Workers? If the problem is simply a shortage of skills, why is permanent migration a solution?

Anecdotal evidence from people involved with skilled migration programs state that most potential skilled migration applicants prefer an Australian permanent residence outcome to a temporary employment contract.

Shortages of skilled labour in Australia occur in occupations where there is a global demand. Other developed countries are competing for the same skill sets. The offer or possibility of Australian residence, with the lifestyle, education, security and other benefits that this entails, allows Australia to compete with countries offering higher wages, greater avenues for professional development or temporary residence only. Permanent migration also provides for the ongoing development of a diverse Australian community and growing economy.

“Body Shopping”

- *What should be the Role of Government?*
- *Would it be more efficient to use a specialised recruiter rather than rely on a direct connection between the prospective skilled migrant and the employer, or depend on informal networks to encourage skilled migration?*

The role of government should be limited to assessing labour market conditions and “approving” migrants with skills in demand. Job placement should normally be left to employers, recruitment firms and informal job networks. However, increased government involvement may be beneficial where it is in the public interest for the Government to take a more interventionist role by facilitating economic growth and development.

Specialised recruiters are useful for locating skilled migrants. However, sponsored visas should be based only on a direct connection between an employer and an employee (who may have been located by a recruitment firm). The advantages and efficiencies recruitment firms offer must be balanced against their business interests which may conflict with the aims of the migration program.

Exploitation of Migrant Workers

- *How significant an issue is this?*
- *How might it be remedied?*

This does not appear to be a significant issue in Tasmania. However, under the temporary business employment visa system, employers sponsoring migrant workers are in an authoritative position. The nature of the sponsored 457 visa means that abuses are likely to occur and will inevitably be under reported due to the perception that a migrant will be forced to return home. This is despite the fact that the DIMIA generally acts reasonably in these circumstances. For example, where wrongful dismissal is alleged, the DIMIA is able to issue a bridging visa. However, the process is open to abuse and any exploitation of a migrant damages Australia’s reputation as a fair country.

As long as temporary visas are linked to jobs this problem will be difficult to remedy. However, an option is to exclude employers and directors of a business from sponsoring foreign labour should they be found to have exploited foreign workers. It may also be worthwhile considering the creation of an offence under the Corporations Law with suitable penalties for those who engage in such exploitation.

Talent Overlooked: How well do the existing migration programs encourage those with skills to offer?

The current system succeeds in matching skills with the demands of the Australian labour market. However, the skills assessment process for some occupations can be too inflexible or narrowly focussed. For example, accountants and finance managers are both assessed on the same very narrow academic basis with no scope for work experience to be taken into account.

Regional Settlement: How can migrants be encouraged to settle in specific areas?

Without offending provisions of the Constitution guaranteeing freedom of movement and commerce between States, an investigation into whether or not State specific migration mechanisms could be expanded by offering relaxed entry requirements to migrants who settle in defined areas of Australia. Such a scheme would require the Federal Government to nominate a period of time that skilled migrants must spend in the regional area in order to receive the benefit of a relaxed entry requirement.

Assuming that the defined time period is long enough, it is likely that the migrants will establish strong ties to the area making it less likely they will leave once the nominated time period is completed.

However, if the Federal Government was to introduce such a scheme, those migrants channelled into regional areas would need comprehensive "on the ground" resettlement support and assistance given the absence of established ethnic communities, with their informal support networks. Access to health services, English language lessons, orientation services, social services and information would be vital.

State and local development authorities, employers, chambers of commerce and other interested parties must also be involved to confirm that genuine employment or investment opportunities are available to new arrivals.

The Points System: How well does the points system serve Australia's interests?

The points system is a simple, objective tool for assessing potential migrants and ensuring that those who enter Australia independently of family connections or a job offer will settle easily and not become a burden to the Australian tax payer.

The model Australia currently uses may lock out good potential migrants. Although many of these people can migrate under one of a number of regional skilled visas, which require applicants to demonstrate either a full time job offer or skills in short supply, in which the points test is not applied.

It may be worthwhile investigating Canada's move towards a more flexible approach that is focussed on measuring capacity beyond qualifications and takes into account factors that indicate likelihood of successful settlement and adaptation to a new labour market. This is a desirable approach as it builds in greater flexibility for employers to ascertain not only suitable skill sets but also suitable employees who are likely to be a good fit with an organisation and the broader labour market.

It is suggested that the current points system be modified to offer further incentives (points) to those who migrate to regional areas of Australia.

A Brain Drain? What is the Migration program's role?

Research has shown that young people will seek opportunities overseas to gain experience and broaden their horizons. However, often they will return home to settle, to have children in a safe, secure, family environment. To ensure that Australia continues to attract young skilled workers it is important that Australia maintains an attractive environment in terms of employment, business, cultural, and social opportunities.

The migration program cannot reverse the brain drain but it can reduce its impact. As well as this, a skilled migration program is one important policy lever open to Australia in dealing with an increasingly globalised labour market.

Unskilled: What role is there for a program designed to bring in unskilled labour?

An unskilled migration program is out of step with globalisation and the constant technological advances that are reducing demand for unskilled labour within modern economies such as Australia. For an unskilled migration program to work and succeed, it must be coupled with an active settlement service scheme that provides training and education programs.

The potential negative impacts of unskilled migration include:

- a lowering of unskilled wages (with increased levels of poverty amongst "the working poor");
- reliance on income security payments;
- mistreatment of foreign workers; and
- increased levels of unemployment and resentment amongst unemployed unskilled Australian workers.

Opportunities to Improve the Immigration Process

There are four broad strategies that will improve the immigration process, these are:

- reducing the complexity around the process of migration application, including fast tracking applications;
- promoting the broad benefits of migration within the Australian community;
- improving the marketing of Australia's skilled migration program by providing information to potential migrants in one location, for example the internet, outlining health care, taxation and other domestic considerations; and
- greater support for targeted regional migration programs, including post settlement support for migrants in regional communities.