

Absolute Immigration's Submission

Draft Core Skills Occupation List



31 May 2024

Dear Jobs and Skills Australia,

Thank you for the opportunity to contribute to Jobs and Skills Australia's consultation process on the Core Skills Occupations List (CSOL).

Absolute Immigration Group

Absolute Immigration Group (AIG) currently has two Australian entities, Absolute Immigration, and Absolute Immigration Legal, which focus only on Australian immigration law and advice. AIG services some of the largest Australian corporations across several industries that are currently facing significant human capital challenges.

AIG focuses on the corporate market and visas with work rights, servicing the following industries:

- **Care** - focusing on healthcare, aged care, childcare, science and education.
- **Build** - Focusing on infrastructure, engineering, mining and trades.
- **Services** - Focusing on professional services, ICT, advertising, recruitment, and hospitality.

AIG currently services more than 500 companies and processes around 4,000 primary visa applications per year. We support Australian businesses by providing talent attraction and retention strategies including accessing overseas workers across a range of visa subclasses, with particular emphasis on employer-sponsored visa programmes.

We have been approached by several clients who have requested that we provide feedback for Jobs and Skills Australia's consultation process on the Core Skills Occupations List (CSOL) and the below contains information that has been provided by companies that believe they will be significantly disadvantaged should they no longer be able to access the expertise and knowledge that overseas workers bring.

We are honoured to enable our clients to have a voice and to contribute to this submission. If any further information is required from AIG or any of our clients, please feel free to contact the below.

Regards,

[Redacted signature block]

[Redacted contact information block]

Industry specific commentary

As part of our consultation process with our clients, we asked for information and feedback on specific industries and on the impacts that reduced occupation lists and access to skilled and experienced workers would have on Australian businesses and their respective industries and ultimately, on the Australian economy.

- **Build**

Australia is experiencing significant talent shortages in its infrastructure sector. The federal government has committed to building 1.2mil homes by 2029, and Western Australia has recognised that the skills shortage is so dire, that they have introduced the [Construction Visa Subsidy Program \(CVSP\)](#) which will provide grant payments of up to \$10,000 to support skilled migration visa pathways.

Australia is experiencing significant talent shortages in its infrastructure sector. expected to peak in 2024, requiring a workforce increase of 127% to meet demand. Strategies to address these shortages include boosting skilled migration and enhancing local training and education programs¹.

Across the OECD, similar issues are being observed. The OECD reports significant challenges in the recruitment and retention of skilled workers in the infrastructure sector. These shortages are exacerbated by the need to retrofit and build new infrastructure to meet climate goals, requiring new skills and competencies.²

Several specific factors contribute to these shortages:

1. **Aging Workforce:** People aged 50–64 made up 11% of employees in the mid-90s, rising to 21% in 2023³. Many workers in the infrastructure sector are nearing retirement, creating a gap that is difficult to fill.
2. **Technological Advancements:** The rise of digital technologies and the green transition are creating new roles that require different skill sets, which current training programs are not fully equipped to provide⁴.
3. **Regional Variations:** Different regions face unique challenges. For example, rural areas often struggle more with attracting skilled workers compared to urban centres⁵ and recent changes with the 482 program providing pathways to permanent residency for applicants on the Short-Term Skilled Occupations List, all but extinguishing options for regional sponsorship.

Despite the overwhelming evidence of skills shortages in the construction industry, several construction occupations are targeted for consultation.

¹ https://www.buildaustralia.com.au/news_article/australias-major-infrastructure-build-threatened-by-shortages-of-key-materials-and-skills/

² <https://www.oecd-events.org/local-skills-week-2024/session/f62cd5b6-8ef5-ee11-aaf0-000d3a2b945f/session-4-brick-by-brick-skill-by-skill-local-skills-and-shortages-in-the-construction-sector>

³ <https://www.themandarin.com.au/237690-aging-workforce-demands-workplace-health-and-safety-rethink/>

⁴ <https://www.oecd-events.org/oecd-local-development-forum-2024/session/0ef0b49b-cdda-ee11-85fa-000d3a2d90a9/deep-dive-5-navigating-the-talent-tides-addressing-labour-and-skills-shortages->

⁵ <https://www.oecd.org/publications/the-post-covid-19-rise-in-labour-shortages-e60c2d1c-en.htm>

- **Services**

- **Hospitality**

The hospitality sector requires a diverse range of skilled workers, including chefs, waitstaff, housekeeping staff, and management personnel. Shortages in skilled labour can result from various factors, including demographic shifts, changing employment preferences, and skill mismatches.

Limited access to quality training and education programs tailored to the hospitality sector can hinder the development of a skilled workforce. Investing in vocational training and industry-specific education initiatives can help address skills shortages and improve job prospects for aspiring hospitality workers.

According to the Temporary resident (skilled) report (31 March 2024)¹⁰ hospitality workers featured in the top 15 occupations that were sponsored in 2023 and 2024, with 4,860 Chefs, 1,380 Cafe or Restaurant Managers, and 1,250 Cooks in Australia on subclass 482 visas.

ICT

The ICT industry in Australia has traditionally had significant skills shortages across a range of occupations. A 32% increase of cyber security threats in 2023 when compared to 2021/22 has also seen increased demand and pressure on the industry to attract and retain skilled and experienced professionals in this area.

Around 7,000 Australian students are graduating with an IT degree each year, while demand for IT professionals is expected to grow by 233,000 by 2033¹¹.

Tennis

Participation in tennis has grown 31.6% up from 1,127,438 participants to 1,483,906¹² and the demand for skilled and experienced coaches has significantly outpaced local supply.

Moving toward a perfect storm

By leveraging migration as a tool to supplement labour supply, Australia can better manage labour shortages in key sectors and support economic growth and development. It is essential to balance migration policies with measures to protect the rights of migrant workers, promote social cohesion, and ensure equitable access to employment opportunities for all Australians.

While there is no doubt that aspects of the business-sponsored programs can be improved, the pace and level of changes already undertaken (and proposed) risk destabilising all business levels and by association, the health, and well-being of the Australian economy. Several factors have and will continue to contribute to the Australian labour market in the next 12 months. They can have a smaller negative impact when the government uses smart migration strategies to remove pressures from business and uplift the skills of the local workforce as part of a nationwide strategy.

¹⁰ <https://www.homeaffairs.gov.au/research-and-stats/files/temp-res-skilled-report-31-mar-2024.pdf>

¹¹ <https://www.techrepublic.com/article/australia-it-skills-shortage/#:~:text=As%20defence%20think%20tank%20ASPI,grow%20by%20233%2C000%20by%202033.>

¹² <https://www.clearinghouseforsport.gov.au/research/ausplay>

- **Low unemployment**

Australia currently enjoys an unemployment rate of 4%, compared to the average unemployment rate of 4.9% in other OECD countries. We already enjoy significantly high employment, high wages, and a high standard of living.

The University of Queensland's ██████████ said Australia can be considered to have full employment when the number of job vacancies matches the number of unemployed people. This is the case at present, suggesting “full employment” is an unemployment rate of 3.5%¹³.

With fewer available workers, businesses are competing for local talent by offering higher wages and better benefits. This can lead to upward pressure on wages across various industries, potentially contributing to inflationary pressures.

Persistent skills shortages can hinder productivity and innovation, limiting the economy's long-term growth potential. Businesses are struggling to meet demand, leading to supply constraints and reduced competitiveness in global markets.

Over the past year, an average of 52% of businesses have reported experiencing labour shortages. Yet, when we zoom in on larger businesses, the data paints a stark picture: more than 86% of larger enterprises have faced labour shortages in the last three months alone¹⁴.

- **Reduction of Student visa holders**

Student visa holders often play a crucial role in filling shortages in various sectors of the economy, particularly in industries facing skill gaps or labour shortages. In 2023-24, overseas students contributed over 50%, or 263,750, to net migration of 528,420. While the forecast net migration in 2023-24 is 375,000, that is unlikely to be achieved. Net migration in 2023-24 is likely to be well over 400,000 and the overseas student contribution is likely over 200,000¹⁵.

It is estimated that there will be a significant reduction in the student contribution of net migration to around 100,000.

The benefits of student migration to the economy by way of university income, regional development, cultural development, consumer spending, and job creation are well known. Additionally, international students often seek part-time or casual employment opportunities to support themselves financially while studying. They can fill short-term labour gaps in hospitality, retail, agriculture, and healthcare industries, where there is high turnover or seasonal demand.

Many international students are willing to work flexible hours, including evenings, weekends, and holidays, making them valuable assets for businesses that require staff during non-traditional hours or peak periods.

¹³ https://esacentral.org.au/latest-news-item/52443/we-can-and-should-keep-unemployment-below-4-says-our-survey-of-topeconomists/?type_fr=4

¹⁴ <https://williambuck.com/media-centre/2024/02/breaking-down-the-issues-facing-bigger-businesses/#:~:text=Over%20the%20past%20year%2C%20an,the%20last%20three%20months%20alone.>

¹⁵ <https://independentaustralia.net/politics/politics-display/capping-student-visas-to-curb-net-migration-could-create-chaos,18557#:~:text=In%202023%2D24%2C%20overseas%20students,student%20contribution%20likely%20over%20200%2C000.>

Some international students possess specialized skills or qualifications in fields such as information technology, engineering, healthcare, and hospitality. They can fill specific roles that require expertise or experience, addressing skill shortages in these industries.

- **Significant wage increase for sponsored workers**

The TSMIT remained at \$53,900 since July 2013 and was not increased until 1 July 2023. The new \$70,000 income threshold was where the TSMIT should have been if it had been properly indexed over the previous 10 years. Regardless, a 30% increase, coupled with a further increase on 1 July 2024 has lifted salaries of overseas workers by almost 36%. This increase is devastating for a country that is facing significant skills shortages and where companies have no option but to look overseas to fill roles.

While needed and welcomed, the significant lift in salaries has been an unexpected expense for COVID 19 recovering businesses, all of which have had no option but to increase the costs of delivering products and services, thus contributing to the overall rising costs of living.

- **Inflation**

When unemployment stands at 4% and roles are reduced in the immigration program, the shortage of skilled and experienced workers available for positions will persist, driving up demand and costs. Consequently, this will lead to higher prices for goods and services and potential delays in customer delivery. Ultimately, Australian consumers may see higher costs, but inflation could decrease their purchasing power due to rising prices.

How do companies locate staff?

- **Advertising**

One common thread that we have had from our clients is that there is significant fatigue when using online advertising platforms such as SEEK, as they do not seem to have the desired impact in attracting attention to job advertisements. Further, the quality of local applicants has significantly decreased.

The SEEK Employment Dashboard for April 2024 revealed a -4.7% decline in national job ads month-on-month and a -18.6% drop when compared to the same period last year.

- **Poaching**

Poaching workers is an active feature of the current recruitment landscape. This results in an increase in spending on recruitment for both Australian and foreign workers and an undesired effect on the growth of Australian businesses.

- **Word of mouth**

Word-of-mouth referrals have increased as a recruitment method and many employers are looking to existing employees to refer skilled and experienced workers for roles. Often incentives are paid to existing employees who successfully refer new hires.

Conclusion

There are 215 Occupations on the CSOL-confident-off-list and 315 on the CSOL-targeted-for-consultation list. Many of these occupations are in areas that have forecasted significant growth, but with limited resources to meet demand. As a result, employers have no choice but to rely on foreign workers to fill their long-term vacancies and to train their existing Australian workers.

We note that many of the occupations listed for removal also feature in data from Home Affairs as being roles that have frequently been used to sponsor overseas nationals. This indicates that these occupations should not be removed.

The removal of health and childcare occupations requires immediate review especially given these sectors are already plagued by low participation in training, low wages, and low retention rates.

Australia is a vast country with a range of factors that can be used to attract and retain workers to specific areas that need migration. This cannot be a 'one size fits all' approach. There needs to be a range of factors that influence the SOL and these include but are not limited to geographical locations (specifically metropolitan vs rural areas), training opportunities, participation rates, and cost of living expenses.

The shortages can only be addressed by a well-thought-out strategy that will encourage migration from countries with established reputations and positive outcomes in the education sector. Priority should be given to regional migration in this occupation to ensure that our regional centers flourish and the newcomers to these areas have the infrastructure to settle and contribute to the local economy.

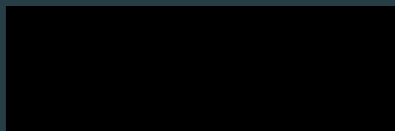
Our view is that the logical first step to reduce numbers on the CSOL would be to look at all applications that have less than 10 applications over 12 months and first remove these from the lists. This approach will ensure that the reduction of numbers can be met with minimal impact, it will also mean that Case Officers will not need to be trained in occupations where there are very few applications. A reduction in the list will ensure faster processing of occupations that can be sponsored through the various programs.

While we do not disagree that the current migration program could do with improvements, our view is that these should be well considered and staggered to meet the changing demands of the market, whilst also ensuring Australia has access to highly skilled and experienced workers.

We also attach with this submission the list of occupations that we believe should remain on the CSOL.

Thank you for your time and consideration in relation to our proposal.

Absolute
IMMIGRATION
●●●● GROUP



Roles in question

When the JSACSOL consultation process was announced, AIG liaised with our clients to determine which roles of the 215 proposed occupations they did not believe should be removed from the CSOL and the 307 occupations that are targeted. After a client survey from our side, coupled with telephone discussions and follow-up calls, it was determined that the roles below should remain on the list of occupations eligible for sponsorship.

CSOL-confident-off-list

ANZSCO	Role	ANZSCO	Role
131114	Public Relations Manager	252111	Chiropractor
133311	Importer or Exporter	252112	Osteopath
133312	Wholesaler	254311	Nurse Manager
133513	Production Manager (Mining)	263212	ICT Support Engineer
134111	Child Care Centre Manager	263311	Telecommunications Engineer
135112	ICT Project Manager	311213	Medical Laboratory Technician
139915	Sports Administrator	311413	Life Science Technician
139999	Specialist Managers nec	312411	Electronic Engineering Draftsperson
141111	Cafe or Restaurant Manager	313112	ICT Customer Support Officer
141211	Caravan Park and Camping Ground Manager	313199	ICT Support Technicians nec
142114	Hair or Beauty Salon Manager	331212	Carpenter
149212	Customer Service Manager	341113	Lift Mechanic
149311	Conference and Event Organiser	351111	Baker
149913	Facilities Manager	351112	Pastrycook
212311	Art Director (Film, Television or Stage)	351311	Chef
222199	Financial Brokers nec	351411	Cook
222211	Financial Market Dealer	393311	Upholsterer
222299	Financial Dealers nec	411711	Community Worker
231299	Marine Transport Professionals nec	411712	Disabilities Services Officer
232411	Graphic Designer	452323	Other Sports Official
234313	Environmental Research Scientist	512211	Health Practice Manager
234611	Medical Laboratory Scientist	512299	Practice Managers nec
251311	Environmental Health Officer		

CSOL-targeted-for-consultation

ANZSCO	Role	ANZSCO	Role
111211	Corporate General Manager	262114	Cyber Governance Risk and Compliance Specialist
132111	Corporate Services Manager	262115	Cyber Security Advice and Assessment Specialist
132211	Finance Manager	262116	Cyber Security Analyst
132411	Policy and Planning Manager	262117	Cyber Security Architect
133611	Supply and Distribution Manager	262118	Cyber Security Operations Coordinator
134211	Medical Administrator \ Medical Superintendent	263111	Computer Network and Systems Engineer
134212	Nursing Clinical Director	263211	ICT Quality Assurance Engineer
134213	Primary Health Organisation Manager	263213	ICT Systems Test Engineer
139913	Laboratory Manager	263299	ICT Support and Test Engineers nec
141311	Hotel or Motel Manager	263312	Telecommunications Network Engineer
141999	Accommodation and Hospitality Managers	271299	Judicial and Other Legal Professionals nec
149999	Hospitality, Retail and Service Managers nec	311412	Earth Science Technician
221111	Accountant (General)	311499	Science Technicians nec
221112	Management Accountant	312114	Construction Estimator
221213	External Auditor	312311	Electrical Engineering Draftsperson
221214	Internal Auditor	312312	Electrical Engineering Technician
224114	Data Analyst	312511	Mechanical Engineering Draftsperson
224115	Data Scientist	312512	Mechanical Engineering Technician
224713	Management Consultant	313212	Telecommunications Field Engineer
224714	Supply Chain Analyst	313213	Telecommunications Network Planner
225113	Marketing Specialist	313214	Telecommunications Technical Officer or Technologist
225114	Content Creator (Marketing)	321211	Motor Mechanic (General)
225115	Digital Marketing Analyst	321214	Small Engine Mechanic
225211	ICT Account Manager	324311	Vehicle Painter
225213	ICT Sales Representative	331111	Bricklayer
225311	Public Relations Professional	331112	Stonemason
225499	Technical Sales Representatives nec	331212	Carpenter
232213	Cartographer	331213	Joiner
232413	Multimedia Designer	332211	Painter
233411	Electronics Engineer	333211	Plasterer (Wall and Ceiling)
233512	Mechanical Engineer	333212	Renderer (Solid Plaster)
233513	Production or Plant Engineer	333311	Roof Tiler
233914	Engineering Technologist	333411	Wall and Floor Tiler

ANZSCO	Role	ANZSCO	Role
233915	Environmental Engineer	334112	Airconditioning and Mechanical Services Plumber
234511	Life Scientist (General)	334115	Roof Plumber
234599	Life Scientists nec	334116	Plumber (General)
251312	Occupational Health and Safety Adviser	341112	Electrician (Special Class)
251511	Hospital Pharmacist	342111	Airconditioning and Refrigeration Mechanic
251512	Industrial Pharmacist	342314	Electronic Instrument Trades Worker (General)
253511	Surgeon (General)	351111	Baker
253512	Cardiothoracic Surgeon	351112	Pastrycook
254416	Registered Nurse (Developmental Disability)	351311	Chef
261111	ICT Business Analyst	351411	Cook
261112	Systems Analyst	362611	Gardener (General)
261113	User Experience Designer (ICT)	362711	Landscape Gardener
261211	Multimedia Specialist	399111	Boat Builder and Repairer
261311	Analyst Programmer	399999	Technicians and Trades Workers nec
261313	Software Engineer	411715	Residential Care Officer
261314	Software Tester	421111	Child Care Worker
261315	Cyber Security Engineer	451711	Flight Attendant
261316	Devops Engineer	511111	Contract Administrator
261317	Penetration Tester	511112	Program or Project Administrator
262113	Systems Administrator		