

Jobs and Skills Australia

Via email: CoreSkillsList@jobsandskills.gov.au

4 May 2024

Dear Jobs and Skills Australia

Re: Core Skills Occupation List (CSOL)

The Council of Small Business Organisations (COSBOA) is the key peak body for small businesses in Australia. Small businesses make up approximately 97 per cent of all Australian businesses and are key employers across the country.

As mentioned to in our submission to the Apprenticeships Incentives System review, at 30 June 2023, the Australian Bureau of Statistics (ABS) reports that there are approximately 2.6 million actively trading businesses in the Australian economy. For statistical purposes, the ABS defines a small business as an actively trading business with 0–19 employees. Micro businesses are small businesses with 0–4 employees. The ATO considers there to be 2.3 million GST registered businesses and 2.3 million businesses not registered for GST.

These numbers are important to provide a full picture of the number of small businesses in Australia and the impact they have on employment opportunities for the communities in which they operate in.

Small Businesses and Skilled Workers

Small businesses in the last few years have struggled to find skilled and unskilled staff to fill vacancies in various industries. This labour shortage has prevented businesses from operating at full capacity with owners spending more time working in the day-to-day operations of their business than on strategically developing business. Our Small Businesses Perspective Report, released late last year, noted that Australian small businesses are experiencing the long- tail effects of COVID-19 through increased operating costs and decreased revenue. Labour shortages and increasing wage entitlements have been found to be driving up the costs of production for small businesses.

COSBOA has also mentioned multiple times in previous submissions to Government that small businesses are struggling to compete against larger organisations for skilled labour. Larger companies which have greater capacity to scale their salary offerings have the advantage over small businesses in hiring and retaining talent as a result. The recently announced further increase in the Temporary Skilled Migration Income Threshold (TSMIT) is

going to continue to limit a small businesses ability to recruit skilled labour in particular industries where the average salary is significantly lower than the TSMIT.

Draft Core Skills Occupation List

COSBOA has been supportive of the Government's migration reforms and understands the CSOL is crucial in determining eligibility for the upcoming Skills in Demand visa, COSBOA has concerns with the process and the use of CSOL. The CSOL does not consider the long-lasting labour shortages that current exist in industries.

For example, one of our members, the Australian Meat Industry Council note that Meat Inspector (ANZSCO 311312) is on the 'For Consultation List' however, Meat Inspectors are on the SPL as a shortage in all states and is critical for industry to achieve market access. Similarly, Butcher or Small Goods Maker (ANZSCO 351211) is on the 'For Consultation List' while the SPL marks this role as a shortage in all states as well. This also applies to Hairdressers (ANZSCO 391111) who are both on the 'For Consultation List' and the SPL as a shortage in all states.

For the Australian Music Association (AMA), Music Instrument Makers/Repairers (ANZSCO 399515) are marked as a not in shortage under the SPL and in the 'Confident Off' list under the CSOL. However, AMA has told COSBOA that several professions under the code really do have a shortage, are important for the industry to do its work and serve the needs of consumers, and some businesses are actually looking to the migration system to find a solution to fill the shortages.

If this is contrasted with 'Private Music Teachers (ANZSCO 249214) who are on the 'For Consultation' list, it is unlikely that the migration system would be used to bring music teachers in given the nature of the work. The AMA propose swapping Private Music Teachers from the 'For Consultation' list with the Music Instrument Makers/Repairers in the 'Off List'. AMA have told COSBOA that in the last two years, their members have asked for a support letter for their visa application to fill a vacancy with one of these professionals however the process has taken them nowhere.

The Australia Restaurant and Café Association (ARCA) are facing shortages of chefs, cooks and restaurant managers. This is reflected in the SPL which notes shortages across all states for Cooks (ANZSCO 351411), Pastrycook (ANZSCO 351112), Chef (ANZSCO 351311). These occupations must remain on the 'Confident 'On' List to fill the thousands of roles currently open.

COSBOA notes that the Draft CSOL website states that there may be some occupations are in shortage on the SPL that do not have strong enough evidence base to support inclusion on the draft CSOL. COSBOA queries, on behalf of its members, what is deemed a 'strong enough evidence base' because we have had members provide multiple submissions to government over the years raising concern about skill shortages in their areas with no action or response.

The CSOL should also be aligned with the Apprentice Priority List to ensure that all aspects of our education and training system are covered when considering welcoming in skilled migrants.

Conclusion

Skill shortages and limits on skilled migrants continue to impact small businesses in Australia. If outcomes are not improved then businesses will continue to close and as a result, impact significant goods and services accessed by the Australian community.

COSBOA recommended Jobs and Skills Australia (JSA) work closely with the apprenticeships incentives review system to look at how skill shortages can be improved both domestically through training and upskilling, and internationally through ensuring we're inviting in skilled workers into areas that industry really require.

COSBOA welcomes further opportunity to meet with JSA and include our members in on conversations regarding the draft CSOL and how any changes will impact their industries.

Yours sincerely,

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