

02 February 2007

OC07-0038

Ms Joanne Towner
Committee Secretary
Joint Standing Committee on Migration
Department of House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600
AUSTRALIA

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BY: MIG

Dear Ms Towner

Inquiry into temporary business visas

TTF Australia (Tourism & Transport Forum) and Infrastructure Partnerships Australia (IPA) welcome the opportunity to participate in this consultation process by responding to the inquiry issued by the Joint Standing Committee on Migration, on the 6th December 2006.

TTF Australia is a national, member-funded CEO forum, advocating the public policy interests of the 200 most prestigious corporations and institutions in the Australian transport, property, tourism and infrastructure sectors. Infrastructure Partnerships Australia is the peak industry forum providing leadership in the national debate on Australia's infrastructure needs.

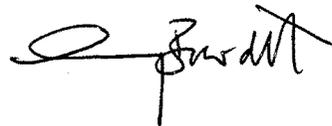
TTF and IPA commend the interest of the Joint Standing Committee in undertaking this inquiry. It is acknowledged that many facets of government are currently focussed on addressing skills needs and the migration program is a vital component in the on-going debate. The tourism, transport and infrastructure industries have all acknowledged that workforce shortages are a growing challenge to delivering efficient and effective business operations.

TTF and IPA recognise that the tourism, transport and infrastructure industries must work with governments to address the workforce issues. Should you wish to discuss this submission further, please do not hesitate to contact Kate Davidson, National Manager, Research, on (02) 9240 2034 or kdavidson@tff.org.au.

Yours sincerely



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GARRY BOWDITCH
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**TTF AUSTRALIA & INFRASTRUCTURE PARTNERSHIPS AUSTRALIA
SUBMISSION TO THE JOINT STANDING COMMITTEE ON MIGRATION
INQUIRY INTO TEMPORARY BUSINESS VISAS**

February 2007

Background to TTF Australia and Infrastructure Partnerships Australia

TTF Australia is a national Member-funded organisation representing the top 200 owners, operators and investors in Australia's tourism, transport, infrastructure and education sectors. It was formed in 1989 to help rebuild the industry following the pilots' dispute which saw the collapse of Australian tourism.

Membership comprises the most significant players in the tourism industry including all major domestic and international airlines, major airports, major hotels, attractions and major event venues, investment banks and service providers to these sectors.

Infrastructure Partnerships Australia (IPA) was launched in December 2005 and has established itself as the peak industry forum providing leadership in the national debate on Australia's infrastructure needs. Infrastructure relies on strong and enduring relationships between government and the private sector, reflecting its bulky nature and the inherently long lead times from construction to commission.

IPA actively brings together government, private stakeholders and the community to promote competitive best practice in infrastructure provision and service delivery.

TTF and IPA's other key affiliations

TTF Australia is a founding member of the National Tourism Alliance (NTA).

TTF Australia is a member of a number of Commonwealth Government organisations for tourism and transport. These include the:

- Tourism Minister's Advisory Council (TMAC) and the Industry Implementation Group of the Tourism White Paper (IIAG);
- Tourism Australia Tourism Forecasting Committee;
- Department of Immigration and Citizenship (DIAC) Tourism Visa Advisory Group;
- Department of Industry, Tourism and Resources (DITR) Tourism Labour Force Working Group;
- Tourism Australia /Parks Australia National Landscapes Committee; and
- Passenger Facilitation and Aviation Committees of the Federal Government.

TTF Australia also represents Australia's tourism industry in peak global tourism organisations. TTF Australia CEO, Christopher Brown is President of the Business

Council of the United Nations World Tourism Organisation and regional representative for the World Travel & Tourism Council.

IPA is represented by its Executive Director, Garry Bowditch, on the following organisations:

- Australia Pacific Economic Co-operation Council (a sub-committee of APEC);
- Council for Economic Development Australia; and
- ACCC Infrastructure Consultative Committee.

Introduction

TTF Australia has recently provided a submission to the Senate Standing Committee on Employment, Workplace Relations and Education: Inquiry into Workforce Challenges in the Transport Industry. In that submission, TTF identified the need for reclassifications of what constitutes a "skill", to ensure acceptance of specific job shortages into the Temporary Business Visa Program.

The tourism, transport and infrastructure industries have acknowledged in previous representations to government via submissions, public hearings and meetings with bureaucrats and ministers, that workforce shortages are a growing challenge to delivering efficient and effective business operations.

However, it is also apparent that most industries in Australia are currently faced with labour challenges. Many industry associations are recommending to members that their recruitment strategies must differ from historic practice. "... look further than the usual groups that you've recruited. You've got to have strategies to tap into different markets overseas. The message at the moment is be creative in the short-term. In the intermediate to long-term we need greater investment in training education at all levels."¹

Trades roles are as important as professional positions in requiring assistance from the temporary business visa immigration program. "Temporary skilled migration is playing a crucial role in the Australian future economy ... A Labour Agreement signed today will allow a meat processing company to recruit the skilled overseas meat workers it needs to keep its business running."²

In addition to industry groups recognising the need to attract skilled labour from both internal and external markets, states are also prepared to utilise short-term business visas for labour shortages. In Western Australia, skilled labour accounted for 79% of employment growth since 2002. Occupations in demand are tradespersons and related workers, professionals, labourers and related workers, intermediate production and transport workers and managers and administrators. Related industries showing the strongest signs of shortage in the state are construction, manufacturing, property and business services, mining and health and community services.³

¹ www.ferret.com.au, abridged version of an interview with Australian Mining editor Jamie Wade and CMEWA director Reg Howard-Smith, 3 July 2006

² DIMA Media Release by Senator Amanda Vanstone, Skilled Meat Workers for WA, 31 October 2006

³ Australian Bureau of Statistics (ABS), Skills shortages in Western Australia under the spotlight No. 1367.5 December 2005, 11/01/2006

Current skill shortages and appropriate recruitment strategies

In the short-term, Australia's existing skilled labour force is not sufficient to fill all the vacant positions within organisations. TTF and IPA acknowledge the benefits of a migration program that includes a "temporary business visa" option.

In a recently conducted (January 2007) Member survey, 60% of TTF and IPA responding Members indicated that their organisations were experiencing a skilled labour shortage. Of the Members who indicated that they utilised the temporary business visa program the following points were made:

- Number of staff employed under the scheme ranged from 1 to 150
- 38% of respondents advised they have increased numbers on the scheme over the past 24 months
- A number of respondents who advised that their numbers on the scheme had decreased, indicated that it was in part due to having converted staff from temporary to permanent residents
- 43% of respondents replied "yes" to the question of whether the time and employer obligations involved in arranging a 457 visa were too onerous
- However, all respondents said that the sponsorship and application fees were fair
- 71% of respondents use external agents to arrange the visas

Other comments provided by TTF and IPA Members were:

"During the November and December period the 457 visas took a greater amount of time to process and grant compared to other months"

"Approved relatively quickly although there is a certain amount of red tape, which is expected"

"The salary level is also too high which eliminates a large number of necessary positions"

"DIMA's processing time (4-6 weeks) could be improved"

"arranging the 457 visa is very inflexible and time consuming"

"Too much red tape and preparing the paperwork takes forever"

The primary requirement for participating in the temporary business visa program is that the employer must "employ approved skilled workers for temporary vacancies in particular occupations required in Australia." (Emphasis added). With reference to the adequacy of the current eligibility requirements, TTF and IPA argue strongly that the current skills list does not incorporate sufficient jobs in the tourism, transport and infrastructure industries. This is making it increasingly difficult for organisations in these industries to operate at an effective productivity level.

With unemployment rates as low as they are, allowing Australians to move relatively easily across industries in previously recognised "semi-skilled" roles, migration of persons outside of the existing specified "profession/trade" lists is required.

In our earlier Transport submission, TTF identified that all levels of transport workers, from drivers to supervisors, machine operators to executives, are in demand⁴. Transport organisations are reporting job vacancies of up to 10 percent. Many of these vacancies

⁴ Ferrett.com.au (2006) Australia's Most Wanted

are in skilled professions, such as engineering, planning and construction⁵. Many others, however, are in so-called unskilled professions, such as truck driving or forklift operation⁶.

One of the most crucial industries to the development of new transport systems is construction. Infrastructure development in Australia is being hampered by the lack of engineers, in particular civil engineers. The limited availability of professional engineering skills will be a major factor in our ability to implement new infrastructure programs.

The shortage of engineers is now becoming a global issue, meaning the potential for business migration to fill these gaps is increasingly competitive. It will be vital for Australian processing procedures and times to remain simple and short to avoid potential applicants accepting positions in other countries. It is therefore hoped that the inquiry could encourage the quick and efficient processing of applications. Doing so would assist in alleviating some of the demand which, if left unchecked, will hinder the freight industry in the future.

TTF and IPA have also previously stated that Australia's entire freight workload will double in the next 20 years and hence the demand for transport workers will significantly increase. In order to address the forecast gap in truck driver numbers it is vital that consideration be given to re-categorising trades, such as truck driving, as being classified a skilled trade in the future. Truck drivers must now be aware of a suite of other protocols, such as HAZCHEM procedures and OH&S principles. Clearly truck driving and other trades extend beyond the simple operation of a motor vehicle.

Reclassifying driving as a skill could allow its acceptance into the Long Stay Temporary Business Visa Program (457 Visa). TTF & IPA advocate for the re-examination of the current Department of Immigration and Citizenship (DIAC) list of eligible and in-demand trades to include those which are required in the transport and infrastructure sector.

TTF and IPA support a review of the classification system determining how a migrant is 'skilled' in the tourism, transport and infrastructure industries. TTF and IPA urge that this task be undertaken with collaboration between key industry groups and employers to identify areas of employment shortages, and that DIAC regulations be updated to reflect these changes. The Migration Occupations in Demand List is based, to an extent, on the DEWR Skills in Demand research. The tourism, transport and infrastructure industries therefore need to work with DEWR to refine this.

In addition, when employers nominate for different occupations to be considered for the visa program, the eligible position must meet a minimum salary level. Currently (as identified in Instrument IMMI 06/036) this salary (excluding superannuation and other items such as accommodation, board and meals) must be no less than AUD 41,850. There are, however, under Schedule D of the Instrument, a select few occupations where the minimum salary may be AUD 37,665. TTF and IPA note that one position on this schedule is "tour guides". TTF and IPA would wish to work with DEWR and other Commonwealth Government Departments to identify other relevant, in-demand, tourism, transport and construction industry roles which could be added to this schedule.

⁵ Engineers Australia (2006) The Impact of Skills Shortages on Australia's Infrastructure, presentation

⁶ ABC (2006) The 7:30 Report: 'Skills shortage' hits transport industry, 06/07/06

Conclusion

TTF and IPA make the following recommendations from our case listed above.

1. That the construction, tourism and transport industries work with government to identify a list of existing skilled occupations not currently on the approved gazetted list (as described in the Australian Standard Classification of Occupations).
2. These occupations to be favourably considered for inclusion in Schedule D of the Migration Regulations 1994 "Minimum Salary Levels and Occupations for the Business Long Stay Visa".
3. Wherever possible, the time taken in processing visa applications under the 457 scheme is less than a month. This will assist in potential employees not selecting a different country to which to apply.

The challenge for the Joint Standing Committee is to recognise that within the existing temporary business visa program; there are limitations which are impinging on the key industries of tourism, transport and infrastructure. The Committee must seek ways to address the imbalance of eligibility criteria, both of "skills" and "salaries" for the industries. The Committee must stand firm in its resolve that the program is essential to the on-going well being to the Australian economy's productivity levels.

TTF and IPA are willing to assist the Committee during its deliberations of the Inquiry and would be pleased to present in person to further elaborate the arguments outlined in this submission.