3 March 2021

Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600
Department of Home Affairs
By electronic upload

Dear Committee Secretariat,

1.   Introduction

Atlassian and Canva welcome the opportunity to make these submissions to the Committee.

We have made a joint submission as a sign of how important we see migration and the attraction of overseas talent to the Australian tech industry as a whole, and not simply as a matter of interest to us as individual Australian companies. It also highlights that our experiences and challenges with the current immigration system are similar and so no doubt similar in other parts of the industry.

We should state at the outset, that the current immigration system generally serves us very well as companies. Both Canva and Atlassian experience high levels of service from the Department and generally can hire or relocate the skilled employees we require. Beyond our own needs, it is critical to us that the visa process and rules support the building of a complete tech ecosystem in Australia.

We also want to make clear that we see skilled migration as a very necessary complement to the hiring and training of Australian citizens and permanent residents, and our focus remains on growing the local pool of talent. Our preference is to hire in our local market where possible and we willingly share our talent flow information with you to demonstrate how we overwhelmingly hire local Australians and permanent residents into open headcount. The talent pool however in Australia, especially for Engineering, Product and Design, is limited particularly when you overlay the need for niche skills and leadership experience in a hyper-growth tech environment, so we need to look overseas to find the best talent available to help achieve our vision. The reasons for the small talent pool in Australia are complex, but here are some high-level reasons:

- STEM education needs a shake up in Australia to attract more local talent to study these subjects from primary school and into tertiary education. This would create future talent pathways for more students in Australia to move into tech. We already partner with many local universities to hire grads every year. Canva's most recent grad cohort being 68 local hires in the last 12 months, a number that continues to grow; and Atlassian has hired 110 graduates this financial year.
- Australia's population is comparatively much smaller than the US and India, two large creators and exporters of tech talent, so the talent pool here is finite.
- Brain drain - We often see the best and brightest in Australia relocate overseas to pursue career opportunities working in the more established tech ecosystems leading to an exodus of valuable talent from Australia.

This ecosystem requires much more than just software developers. It requires a range of both technical and non-technical skill sets, such as Video Producers, ICT Business Development Managers, Sales & Marketing Managers, Public Relations Professionals, Marketing Specialists, ICT Systems Test Engineers and Human Resources Managers.

The main impediment to attracting overseas workers into these roles is the fact that they have no pathway to permanent residence in Australia. If we could have one change to the program it would be to remove the distinction between those occupations that have a pathway to permanent residence and those that do not.

The second area where we see an opportunity to better align Australia's program with needs of the tech sector is in the area of Global Talent. The Government should be congratulated for building a world class program that targets the best and brightest globally. That program is working for us already. Industry is keen to understand how it can better support and be involved in the Global Talent program to ensure that the program objectives align with what the tech industry needs.

These small changes would better support that ecosystem and the future growth of the tech industry in Australia by helping us attract and retain critical talent, including those already in Australia.

2. Retaining critical talent already in Australia.

COVID-19 has resulted in a shortage of tech talent in Australia and we need to retain as much of the talent already in Australia on temporary visas as we possibly can.

We are finding that one of the major 'visa' factors currently driving whether or not employees on temporary visas remain in Australia is whether they have a pathway to permanent residence for them and their family should they want to stay in Australia permanently.

Employees now more than ever are recognising the benefits of having permanent residency. Whilst they may take on more tax burden they are prepared to do this in order to have immigration certainty given the upheaval that COVID-19 has imposed. More queries have come our way from employees on both the short-term and the medium to long-term lists. The employees on the short-term list cannot understand why they are not given pathways to PR even though they are making a deep and meaningful impact to Canva, Atlassian and the broader Australian economy and community. Without these individuals Canva and Atlassian would not be the global successes they are today.

Unfortunately, several employees on the short-term list on the last TSS visa have already signalled their intention to leave and settle elsewhere/return to their home country as they want certainty on their future to be able to plan for themselves and their families. Depending where they end up, we may not be able to accommodate an overseas role for them and therefore would miss out on the investment we have made on the individual as well as miss out on their highly niche skill sets. To achieve social cohesion and retain highly skilled individuals, the government should merge both lists together and allow a pathway to PR irrespective of a person's nominated occupation.

For a number of employees there is no current pathway to permanent residence. This is because they are in positions that are on the short-term occupation list. We will address occupation classification and skills shortages a bit further below, but we believe the government needs to change the current system that creates two classes of temporary workers - those who can become permanent residents (and eventually citizens) of Australia and those who cannot.

Whatever the original reasons for the decision to create two types of temporary employees, this creates very significant problems for our businesses at a practical level and a lot of time and effort goes into managing the disparity caused by this in our workforce and in trying to find work around solutions. We have no doubt that this is the same throughout our industry.

Not only does this mean that those currently in Australia with no pathway are considering whether to remain here or leave and relocate, it also makes it very difficult to attract high level candidates in roles that are critical to us.

Although it would seem to us that the utility and need for the two-year/four-year lists should be reviewed, we believe that the current issue could be solved within the current framework by creating a pathway to permanent residence for all visa holders already living and working in Australia in the tech sector (or other critical sectors).

3. Attracting new talent

The Australian migration program is a critical talent lever for enabling the future growth of the tech industry in Australia. Australia's tech industry is comparatively small and with a limited talent pool of folks who have experience working within and exposure to scaling hyper-growth companies. However, we want to change that by fostering a tech ecosystem that is fit for the Australian context, similar to what has been fostered in the US within Silicon Valley. In order to successfully build this ecosystem and grow at the required pace and scale, we need to be able to attract and retain top, diverse talent from across the globe who can help to nurture and expand the tech industry through knowledge sharing, diverse experiences and building upon the foundations already established. The right immigration infrastructure is a strategic enabler to tap into this global talent pool to ensure this vision can be achieved.

With the above context in mind, we do rely on the talent lever of attracting and retaining highly skilled, senior talent from overseas who have a wealth of experience and knowledge in the tech industry to help build our Australian tech ecosystem vision. If we bring in more senior talent from abroad they would be able to share knowledge with our organisations and help develop the skill sets of our emerging leaders and team members who are early in their career, who are largely Australian citizens or permanent residents. Typical source markets for our overseas talent are outlined below.

- USA - particularly Silicon Valley area
- Eastern European nations
- Russia
- UK
- India

Our companies began as start-ups and have quickly grown. This has been in part due to our ability to hire great talent from overseas, however, as remote hiring strategies have become more common globally due to COVID-19, we are in a race to attract and retain the best and brightest from around the world. Countries around the world are responding quickly, leveraging their strategic immigration policies to assist their local industries. We need the Department's help in reforming our immigration policies to make Australia a more agile and attractive place to invest, build careers and build a life.

Global Talent and its fast route to permanent residence is extremely beneficial and attractive to some and we are supporters of this program. However, our experience of the Global Talent program to date has shown us:

1. It is further deepening the difference between those who can get permanent residence and those who cannot. It has also heightened the difference between those who are eligible for fast-tracked permanent residence through the GTI and those who must wait three years under the transitional ENS route.
2. The program setting for salary and international reputation are not fully aligned to the realities of the tech sector.
3. There may be a missed opportunity to connect businesses and talented individuals before or during the Global Talent visa process.
4. Not all talented individuals want to apply for permanent residence immediately and many still look for a transition/testing period. This also works well for business.

Equalising the pathway to permanent residence
The fact that some of our employees have a pathway to permanent residence and some do not creates real issues for our businesses.

- Individuals who do not have a permanent pathway feel less committed to long-term goals and consider themselves disadvantaged and deeply misunderstood in terms of their tech skill set and the demand for that skill set in the global market compared to those who have a pathway.
- The fact that a position has no pathway also reduces the candidate pool and discriminates against those with families, as these candidates are far less likely to want to relocate for only two years (maybe four).
- We spend a lot of time, effort and resources trying to create pathways for valuable employees we want to keep in the business.

ANZSCO and 2 year/4 year distinction
It is unclear to us why some occupations are on the short-term list and others are not. The occupations on the short-term list that we need in the industry are in just as short supply in Australia as other occupations we recruit for that are on the long-term list. In our view there should be no distinction and the pathway to permanent residence should be based on an employer's demonstrated need and not a government decision on the apparent state of the labour market.

In our submission the following occupations should be eligible for a pathway to permanent residence:

- Video Producer (ANZSCO - 212318)
- ICT Business Development Manager (ANZSCO) - 225212)
- Sales & Marketing Manager (ANZSCO - 131112)
- Public Relations Professional (ANZSCO - 225311)
- Marketing Specialist (ANZSCO - 225113)
- ICT Systems Test Engineer (ANZSCO - 263213)
- Human Resource Manager (ANZSCO - 132311)
- Technical Writer (ANZSCO - 212415)
- ICT Support Engineer (ANZSCO – 263212)
- ICT Manager (nec) (ANZSCO – 135199)
- ICT Business Development Manager- (ANZSCO - 225212)
- ICT Project Manager – (ANZSCO 135112)
- ICT Quality Assurance Engineer – (ANZSCO – 263211)
- Recruitment Consultant (ANZSCO - 223112)
- Technical Writer (ANZSCO - 212416)
- Information and Organisation Professionals NEC (ANZSCO - 224999)

The ANZSCO definition of the nominated occupations does not align well with the new roles being created everyday by the tech industry, which have evolved well beyond the current classifications. Many roles were not in existence when the ANZSCO lists were created in the 1990's and therefore the ANZSCO lists fail to capture the specific roles the tech industry that companies are in desperate need of. This forces us to nominate in short-term occupations even though those occupations as defined in ANZSCO do not adequately take account of the myriad of differences in the roles or the particular skill set needed by the business. In our view ANZSCO should not be the determiner of an 'occupation' or role for the purposes of nominating someone for a visa.

Redefining 'earnings' to include shares/equity
The tech industry relies heavily on equity compensation (e.g. options and shares) in addition to salary as

an incentive to attract talented individuals. In our submission, this should be taken into account when considering the 'earnings' of Global Talent applicants.

To foster a Silicon Valley-style hub in Australia, levers need to be put in place to allow for start-ups and smaller tech companies to thrive. Typically start-ups and smaller companies would offer early employees equity in the business in lieu of high salaries. The reason for the inability to offer high salaries is that typically start-ups do not have the same financial resources as the bigger established companies such as Google, Facebook etc. When attracting top talent from across the globe, start-ups need a great idea that the candidates believe in and the candidates need to be willing to take a pay cut and risk their job security for the chance that the business will be successful. In the event the business succeeds the equity vests and the candidate reaps the rewards. Allowing equity to be counted in a person's salary for the Global Talent Program would create a pathway to permanent residence for more employees, even those in two year occupations who might be nominated under an employer sponsored Global Talent agreement or under the GTI. Canva, Atlassian and other start-ups rely on offering equity in the company as a way to lure the best talent to our business.

Typically top talent would consider taking a pay cut to join a start-up in the hopes that it would pay off when their equity vests. This industry norm should be recognised in the way earnings are looked at in the tech sector.

Fast Tracked Labour Agreement for Tech Companies
Canva lodged a labour agreement with the Department of Home Affairs on 07 September 2020 and Canva is currently waiting on an outcome. In fact it has not yet had any indication that the application is being considered. This labour agreement was designed to better support the recruitment and retention of 3 critical positions at Canva which we believe are impacted by genuine skills and labour shortage in Australia.

Tech companies need to be agile and it cannot take six months for a solution to even be considered (although of course we acknowledge that COVID-19 has interrupted usual business operations). If companies are to be required to negotiate labour agreements to solve the issues with the current TSS system, then this needs to be done quickly.

Industry Labour Agreement
In the longer term, we believe an industry wide labour agreement is needed for the unique tech industry. We are happy to work as a collective industry with the Department of Home Affairs to pull together an industry wide tech labour agreement to help foster our vision for a Silicon Valley-style tech industry in Australia. Tech is a very nuanced and ever changing industry that requires quick pivoting to adapt - very different to many other industries in Australia.

Temporary Global Talent Independent visa
Finally we believe that there would be huge value to the tech industry and the Australian economy more widely, if highly talented individuals who would be eligible for the GTI but who are not yet ready to commit to permanent residence could opt for a Two-year temporary visa with the ability to convert to permanent residence under the GTI or another stream before that visa expires. We believe that this would attract an even larger pool of global talent to Australia and would also help companies to better manage their migration program.

4. Conclusion

Thank you for the opportunity to make these submissions. We are very hopeful that together we can build the immigration program of the future that will support and foster the tech industry in Australia.

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