

Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600

31 December 2025

Inquiry into Australia's skilled migration program

Please find below our submissions in response to the Committee's current inquiry into skilled migration. We have focussed our submissions on areas where we have deep knowledge by virtue of our role as registered migration agents.

The author welcomes the opportunity to provide testimony or assist further in any way should the Committee consider our input helpful.

About the author

Constantine (Con) Paxinos is Managing Director of PAX Migration Australia, South Australia's largest employer of registered migration agents. The firm specialises in employer sponsored, general skilled and family visas and provides services to employers ranging from small business to large ASX listed companies and state government agencies.

Con has provided testimony to JSCM hearings on four occasions, as well as to the South Australian Economic and Finance Committee inquiry into the economic contribution of migration to South Australia in 2019. Con was a member of the South Australian Ministerial Advisory Council supporting the then Minister for Innovation and Skills on state migration policy (2020 – 2022).

Con regularly provides continuing professional development training to migration agents and immigration lawyers and has held the office of National Vice President and South Australian state president for the Migration Institute of Australia, as well as chaired many of its committees.

Con holds a Bachelor of Laws and Graduate Certificate in Migration Law, and a Bachelor of Commerce and in 2025 was awarded Fellow of the Migration Institute of Australia in recognition for his contributions to the immigration advice profession.

Inquiry into the value of skilled migration to Australia

We have focussed our submissions on the elements of the terms of reference that we have deep knowledge and real-world experience in. These are:

- b) The effectiveness of current skilled migration settings in meeting the current and future needs of the states and territories, while recognising the ongoing need for housing and infrastructure.
- c) The scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities;
- d) The scope for skilled migration settings to more effectively support Australian businesses, boost productivity and encourage innovation;

Summary of Policy Recommendations

- 1. Reduce recruitment costs for construction employers**
Introduce a 50% reduction in the Skilling Australians Fund (SAF) levy and visa application charges for employer-sponsored visas in construction occupations.
- 2. Increase processing capacity for employer-sponsored visas**
Increase decision-maker headcount for Subclass 482 visas to materially reduce processing times and improve workforce responsiveness, supported by Treasury analysis of economic benefits.
- 3. Establish a Housing Construction Fund visa**
Create a new visa (or visa stream) requiring a minimum capital investment into a Commonwealth-managed housing fund, dedicated to large-scale residential housing development.
- 4. Eliminate occupation lists**
Abolish skilled occupation lists and replace them with an employer-led assessment framework, allowing employers to demonstrate genuine labour need regardless of occupation.
- 5. Eliminate the Skilled Independent visa (Subclass 189)**
Remove the independent skilled stream and reallocate places to state and territory nomination programs, with employer-sponsored visas forming the majority of skilled migration places.
- 6. Reduce visa and nomination costs across priority occupations**
Cut Home Affairs nomination and visa charges by 50% in occupations aligned with strategic and structural skills shortages.
- 7. Accelerate permanent employer-sponsored visas**
Reduce Subclass 186 offshore processing times to under two months to enhance Australia's competitiveness for global talent.
- 8. Increase resourcing for labour agreements**
Expand staffing in the Home Affairs labour agreements section to reduce agreement and variation processing times to under two months.
- 9. Create a regional version of the Subclass 482 visa**
Establish a regional 482 visa with more favourable settings, including:
 - Faster processing
 - Lower income threshold
 - Nil SAF levy
 - Reduced visa charges
 - Mandatory regional employment period before permanent residence
 - Restrictions on switching to non-regional visas
- 10. Establish an apprenticeship visa**
 - Establish an apprenticeship stream within the 500 student visa and the 485 graduate visa to allow international students to complete an apprenticeship and attain a graduate visa on completion.
- 11. Strengthen public communication on skilled migration and improve public understanding by:**
 - Linking skilled migration to tangible outcomes (housing, healthcare, infrastructure, aged care, education)

- Using regional and local case studies
- Engaging trusted intermediaries such as industry bodies, unions, local governments and community leaders

Terms of Reference item (b): The effectiveness of current skilled migration settings in meeting the current and future needs of the states and territories, while recognising the ongoing need for housing and infrastructure

Housing

Australia's current housing shortage is the result of residential construction output not keeping pace with demand, a trend that has existed for decades and is a consequence of decline in productivity rather than elevated migration levels.¹ Official data shows that dwelling commencements and completions fell sharply following COVID-19 despite net overseas migration remaining below pre-pandemic trend levels, while net overseas migration remains below trend.²

The growth in population since 2020 has been lower than the growth in the years preceding COVID and there are less people in Australia than would have been if we had not locked down our borders.³

Increasing the supply of construction workers will increase the production of housing and infrastructure. Persistent shortages of skilled construction workers have been identified as a binding constraint on Australia's ability to deliver new housing at scale, limiting the responsiveness of supply to population growth and demand.⁴

Migration policy should be adjusted to fast-track visa grants and make the visa system more accessible for construction industry employers. We have discussed this in more detail below.

Barriers to importing skilled construction workers relevant to the Committee:

- a) High government charges for visas and sponsorship
- b) Slow visa processing times

While importing skilled construction workers will elevate the capacity of Australia's builders, without capital and adequate incentivization, builders lack capability and motivation to establish and complete large scale housing developments. To support the capital-intensive building industry, Australia should establish a housing construction fund visa to raise capital for large scale housing developments.⁵

¹ Productivity Commission, research paper, *Housing construction productivity: can we fix it?*, February 2025 "(Over the last 30 years) the number of dwellings completed per hour worked by construction workers - has declined by a sizeable 53%" p16,

² Australian Bureau of Statistics, *Building Activity, Australia*, (Dwelling commencements and completions). See also National Housing Supply and Affordability Council, *State of the Housing System 2024* 66; see also:

Housing Industry Association, *New home building remains at decade lows*, <<https://hia.com.au/our-industry/newsroom/economic-research-and-forecasting/2025/04/new-home-building-remains-at-decade-lows>>

Broker Daily *Dwelling commencements fall to decade low - Broker Daily* < <https://www.brokerdaily.au/about/broker-daily>>

³ The Australia Institute, *'Is population growth driving the housing crisis? Here's the reality'*, < <https://australiainstitute.org.au/post/is-population-growth-driving-the-housing-crisis-heres-the-reality/> >

⁴ Productivity Commission, research paper, *Housing construction productivity: can we fix it?*, February 2025 "The construction industry has experienced shortages in the post-COVID period and current workforce growth is likely insufficient to meet ... policy objectives"; see also The Access Group, *Why is There a Labour Shortage in the Construction Industry? (and How to Fix It)*, <

<https://www.theaccessgroup.com/en-au/construction/resources/labour-shortage-in-the-construction-industry/>>; Get Building, *Trade Skills Shortage Puts Australia's Housing Targets at Risk*, 13 Aug 2025, <<https://www.getbuilding.com.au/2025/08/13/trade-skills-shortage-puts-australias-housing-targets-at-risk/>>

⁵ "Inelasticity in the supply system reflects a range of factors, including the cost and availability of labour, materials, equipment and finance;

High government charges for visas and sponsorship

For an employer to sponsor a skilled migrant the following costs are typically incurred:

1. Nomination application charge: \$330
2. SAF Levy: \$1200 per year nominated (where turnover <\$10m) or \$1800 per year nominated (where turnover >\$10m) (i.e. \$7200 for a 4-year visa)
3. Skills assessment application charge – typically \$1000-\$2500
4. Visa application charge: \$3,210 for the primary applicant; \$3,210 for spouse; \$805 per child
5. In some cases, a subsequent temporary application charge of \$700 may apply per applicant depending on their circumstances

These costs are just the government costs to obtain a visa, and do not include other costs to recruit internationally such as recruitment costs, relocation and settlement costs, and migration agent fees. **Total costs to internationally recruit a skilled worker generally fall between \$25,000 - \$35,000 per candidate. Commonwealth government charges make up about 50%-60% of those costs.**⁶

Policy Recommendation 1

Reduce the costs of international recruitment for the construction sector by providing a 50% discount to the SAF Levy and visa application charge for employer sponsored visas in construction occupations.

Economic benefit to reducing visa processing times

Current processing times for the 482 visa exceed 3 months. Given the importance of being able to bring workers in quickly to respond to construction Australia's construction imperatives, an investment in head count will provide a return in terms of construction output.

It is understandable that the government may be reluctant to increase costs however the cost of head count increases in visa processing teams needs to be considered against the economic benefit to Australia by being able to respond to labour force needs quickly.

Extended processing times for employer-sponsored visas materially reduce labour market responsiveness and impose productivity costs on the economy by delaying the deployment of skilled workers into genuine shortages.

To illustrate, if one full time decision maker is employed at an assumed cost of \$150,000 p.a, and we conservatively assume that decision maker processes 3 visas a week- that would be 3 visas processed in a week that would have otherwise been processed in 2-3 months (current standard processing time).

So that additional FTE in visa processing facilitates 3 visas being granted at least 2 months earlier than otherwise. This equates to 6 months of productive skilled labour utilisation in the Australian workforce added – each week (3 full time workers working an additional 2 months by virtue of earlier entry). That equates to 22.5 work years of labour force capacity addition as a result of foreign employer sponsored workers receiving visas two months quicker than otherwise. Those 22.5 work years would recoup more than double the cost of the decision maker in taxes alone. It is not difficult

productivity; and land supply Australian Government", National housing Supply and Affordability Council, *State of the Housing System 2024* 26

⁶ Nomination charges: \$7200 (SAF Levy); \$330 (Nomination charge); \$3210 (visa application charge per adult); \$805 (visa application charge per child); \$2000-\$2500 (skills assessment charges) Department of Home Affairs, *Visa Pricing Table*

to see how capacity output would far outweigh the additional cost to the taxpayer for that decision maker. This is because one decision maker is the bottleneck for hundreds of skilled migrants entering Australia each year and so their time is significantly leveraged in terms of economic impact.

Policy Recommendation 2

We recommend increasing the processing team head count for 482 visas. This will allow the 482 visa to be processed quickly to support employers in filling shortages.

The Department of Treasury and Finance should be asked to conduct analysis on the economic benefit to Australia of increasing decision maker head count in the employer sponsored stream of visa processing.

Housing Construction Fund Visa

The importation of construction workers will improve labour supply, however quickly increasing commitments to new large scale housing developments requires capital and motivation for property developers to initiate new projects. Australia's housing construction is "chronically undersupplied" in part due to finance constraints and reluctance to take on financial risk by developers.⁷

A new visa, or new stream in an existing visa, can be created to facilitate the raising of international funds to support Australia's residential housing construction industry.

Previous migration-linked investment programs demonstrate that visa settings can be used to mobilise substantial private capital for national priorities, providing a precedent for an investment-based housing construction fund visa.⁸

The new visa can require an investment of, say, AUD\$5m into a 'Housing Construction Fund', which can be managed by the Commonwealth and funds invested in large-scale residential housing developments. Funds would be unable to be accessed for a minimum mandated period, say 5 years. During those 5 years the funds can be used to build homes for Australians. Any risk of loss to capital is borne by the visa applicant – however given the fact that housing development is a relatively low risk investment, visa applicants should be comfortable accepting capital risk – just as they have done in the past with the previous significant investor visa.

If a modest allocation of 5,000 visa places are filled each year, \$25bn would be raised annually and \$75bn over three years could be invested into residential housing construction. At an average build cost of \$400,000, this initiative would result in an additional build of over 60,000 homes over those three years. If construction is focused on apartment development the returns will be even greater.

Essentially, every visa granted under this scheme results in conservatively over 10 freestanding homes for Australians being built (many more if channeled into apartments and units). The scheme can run for a finite period until the housing shortfall has been rectified.

Policy Recommendation 3

Establish a Housing Construction Fund visa, requiring visa holders to commit a minimum investment into a Commonwealth administered fund to support new large scale residential housing projects.

⁷ Australian Government, National housing Supply and Affordability Council, *State of the Housing System 2024* 15 citing Burke, T., 2012. The Australian residential housing market: institutions and actors. In: R. Tomlinson, ed. *Australia's Unintended Cities: The Impact of Housing on Urban Development*. Collingwood, Victoria: CSIRO Publishing, pp. 35-49. .

⁸ Refer Significant Investor Visa Program (188/888 visa); Department of Foreign Affairs and Trade, *The benefits of foreign investment*, <<https://www.dfat.gov.au/trade/investment/the-benefits-of-foreign-investment>>

Terms of Reference item (c): The scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities

Eliminate Occupation Lists

Jobs and Skills Australia (JSA) is the Australian Government's independent statutory authority responsible for providing authoritative advice on Australia's current and future workforce, skills needs and labour market dynamics.

JSA informs policy on skilled migration and employer sponsored occupation lists. Its analysis underpins major policy decisions, including skilled migration planning, labour market testing settings, and investment in education and training.

Reliance on a central authority for the determination of what occupations are in shortage in what locations will necessarily limit the support Australia's migration program provides to the economy. This is because any centralized approach will be prone to error and slow to react to a dynamic economy.⁹

Rigid, centrally determined occupation lists are poorly suited to dynamic labour markets, as they are slow to respond to changing conditions and frequently fail to reflect employer-level demand at a granular level.¹⁰

A superior approach is to maintain a wide occupation list (or even better – no occupation list at all) and allow employers to provide evidence to support why a position should be permitted for an employer sponsored visa. Employer-led assessment frameworks, supported by robust integrity checks, will improve the responsiveness and timeliness of the skilled migration program compared with reliance on static occupation lists.

It is accepted that this approach requires decision makers to assess the genuine need to access foreign labour for a position – and therefore an investment in training and decision-making frameworks would be required to ensure decisions accord with Australia's objectives. This process exists already – however in a very limited form through the company specific labour agreement framework. Empowering employers to demonstrate genuine need to access foreign labour, regardless of occupation, is a productive reform that will mitigate the existing issue of genuine shortages being locked out of the migration program due to arbitrary decisions by a centralized authority.

Policy Recommendation 4

Eliminate occupation lists and develop the employer sponsored decision-making framework to assess individual employer applications for sponsorship regardless of occupation.

Eliminate Independent Skilled Visa

The independent stream should be eliminated, because the Commonwealth is not in the best

⁹ For an analysis of the limitations of centralized systems and the value of decentralized, robust and anti-fragile structures in the face of complex and unpredictable environments such as a dynamic economy, see APA (7th Ed.): Taleb, N. N. (2014). *Antifragile: Things That Gain from Disorder*. Random House Trade Paperbacks.

¹⁰ There are several innovative approaches in business and in government that have characteristics that make them suitable for dealing with complex problems. Many of them use new information technologies to get around those obstacles and enable solutions to emerge, many times, from the bottom up: Bernardo Mueller, *Why public policies fail: Policymaking under complexity*, *EconomiA*, Volume 21, Issue 2, 2020, pp311-323

position to be aware of the needs of each state and territory's economy, in terms of what skills are needed, what industries require support, and what characteristics of skilled migrant are best suited to each jurisdiction.

It is the states and territories that are responsible for infrastructure support for migrants and therefore should maintain direct involvement in who comes into their jurisdiction. The Commonwealth may maintain an overall quota and distribution of quota to the states and territories, as well as visa criteria but the individual characteristics of the migrants that are invited to obtain visas should remain the responsibility of state and territory governments.

Some have argued for a reduction in general skilled visas and focus more on employer sponsored visas, however there is a place in our migration program for candidates to obtain visas without employer sponsorship. There are very good reasons why candidates may not be able to access the employer sponsored program but will nonetheless be good candidates for contributing to Australia.

Providing a quota (say, 20% of the skilled visa program), for states and territories to manage by invitation, allows a cohort of skilled migrants to qualify for visas in Australia despite not having an employer willing to sponsor them. There are a variety of scenarios that exist where the candidate is a good one for Australia, but for legitimate reasons is unable to secure a sponsor. These include:

- Self-employed people and those that work in industries that are structured as engaging contractors rather than employees (for example Dentists);
- Those who are working in an occupation that does not qualify them for employer sponsored visas (perhaps the occupation is not on a specific employer sponsored list, the candidate lacks the requisite work experience to qualify for an employer sponsored visa, inability to attain a skills assessment in the proposed occupation, or general inability of an employer to justify sponsorship due to cost), yet the candidate is very much contributing to Australia's economy;
- Those with 'soft skill' occupations that are difficult to sponsor without the person being in Australia – thus a visa is required to allow them to work;
- Occupations / positions where there is a prohibition on working in Australia without first holding permanent residency;
- Sometimes an employer is unable to sponsor due to industrial relations policies/agreements, cost, being ineligible to be a sponsor, or other constraints whether real or perceived.

The employer sponsored program should constitute the majority of skilled places, with state and territory nomination being the next largest quota.

Policy Recommendation 5

Eliminate the independent skilled visa and provide the places to states and territories to manage skilled migration programs.

Terms of Reference item (d) The scope for skilled migration settings to more effectively support Australian businesses, boost productivity and encourage innovation;

Reduce costs for employers who support our migration program

As explained above, costs of recruiting internationally are often prohibitive. The Commonwealth should lead by reducing or eliminating costs for visas and sponsorship, where the occupations align to Australia's established strategic imperatives and acute structural shortages.

The reduction in revenue would be more than offset by productivity gains in the economy as a result of a more efficient employer sponsored program and the importation of labour that fills genuine structural shortages.

Policy Recommendation 6

Reduce the nomination and visa costs levied by Home Affairs by 50%.

Permanent Visa processing times

The competition for global talent is only increasing, and if employers can offer a permanent visa attracting quality talent will be improved. Currently the permanent employer sponsored visa (186) carries a processing time expected to be measured in years rather than weeks and is therefore unviable for international recruitment.

Policy Recommendation 7

Reduce the 186 visa processing times for offshore applications to under two months.

Improve resourcing in the Department of Home Affairs labour agreements section

Recent expansion to the labour agreement program has resulted in a significant risk to the effectiveness of Australia's employer sponsored program. Some employers are waiting multiple years just for approval to sponsor workers.¹¹

If the labour agreements team was provided greater resources, labour agreements could be processed quicker resulting in a far more responsive employer sponsored program.

Policy Recommendation 8

Increase headcount in the Home Affairs labour agreements section to reduce labour agreement and deed of variation processing times to under two months.

Regional version of the 482-employer sponsored visa

Targeted regional migration incentives are necessary to counteract the natural concentration of skilled migrants in major capital cities and support regional population decline or stagnation.

Regional areas require assistance in attracting talent. International skilled workers will favour Sydney, Melbourne and Brisbane as destinations for migration to Australia, for a variety of reasons including familiarity, economic opportunities, vibrancy and general perceived superiority of living standards. It is imperative that Australia maintains a migration program that provides support for regional areas in attracting skills gaps and shortages in critical sectors to improve services that benefit Australian communities.

The establishment of a regional version of the 482-employer sponsored visa that has the following characteristics:

- fast processing
- Lower minimum income threshold
- Nil SAF levy
- Reduced visa application charge
- Requirement to work for sponsoring employer for two years to qualify for permanent residency
- Prohibition on changing visa to a 'non-regional visa' for two years

We note that the 494 visa (a regional employer sponsored provisional visa), is not fit for purpose as when compared with the 482 visa, it is:

- Slower to process
- Applies the same minimum income threshold
- SAF Levy applies
- Higher reduced visa application charge
- Requires greater work experience, higher English, limited age, and compulsory skills assessment to qualify.

Essentially a regional 482 visa is designed to assist regional employers to sponsor workers at lower cost, faster processing time and with employer sponsor loyalty measures to ameliorate the significant cost to employers of international recruitment.

Policy Recommendation 9

Establish a regional 482 visa to empower employers in regional areas to compete with non-regional locations for skilled labour. The regional 482 visa should carry favourable terms and conditions when compared with the standard 482 visa, such as:

- Lower minimum income threshold
- Nil SAF levy
- Reduced visa application charge
- faster processing
- Requirement to work for sponsoring employer for two years to qualify for permanent residency
- Prohibition on changing visa to a 'non-regional visa' for two years

Apprentice Student Visa

The current student visa system does not permit the completion of apprenticeships while holding a student visa. This is because apprenticeships are primarily employment-based training arrangements, whereas a student visa is designed for full-time study, not ongoing paid employment.

Reform to Australia's student visa system to allow for recognized apprenticeships to be completed while holding a student visa, and then a graduate visa being available on completion, would allow Australia to benefit three ways:

- Support our education institutions who will complete the formal study components;
- Train international workers according to Australian methodologies;
- Align the student visa program to fill genuine skills shortages

Policy Recommendation 10

Establish an apprenticeship stream within the 500 student visa and the 485 graduate visa to allow international students to complete an apprenticeship and attain a graduate visa on completion.

Terms of Reference item (e) Strategies to enhance public awareness and understanding of the role of skilled migration in Australia.

Our impression is Australians are supportive and welcoming of migrants – but with one caveat – that they contribute to our economy and society and do not conflict with our moral values or break our laws.

This is a fundamental Australian cultural value – that of being welcoming, pragmatic and egalitarian. In return the Australian people simply ask that migrants contribute positively to society and economy. Reinforcing how skilled migrants contribute to Australia will allow Australians to appreciate the value of our migration program.

Anti-immigration sentiment will be significantly abated if:

- Australia's infrastructure keeps up with population growth
 - o This requires states and territories as well as the Commonwealth in a genuine partnership to maintain growth in hospital beds, public education capacity, roads, and public transport.
- Australia's housing construction industry is empowered to build residential housing at above the rate of population growth. Australia's migration program should be adapted to facilitate the importation of construction workers to improve capacity and a housing fund be established supported by an investment visa to support major residential housing developments.

Policy Recommendation 11

Australian public support for migration remains strong but is closely linked to perceptions that housing, infrastructure and essential services are keeping pace with population growth.

Linking skilled migration to tangible outcomes through public messaging to connect skilled migration to outcomes Australians value, such as access to health care, housing construction, aged care, education and infrastructure delivery. Demonstrating how skilled migrants fill critical roles—doctors, nurses, engineers, tradespeople and teachers—helps communities understand the practical necessity of skilled migration.

Skilled migration has been consistently shown to support productivity growth, innovation and firm-level performance, without increasing unemployment among Australian-born workers.

Highlighting local case studies is a powerful tool. Showcasing how skilled migrants support regional economies, keep local businesses operating, sustain schools and health services, and contribute to community life builds trust. Regional councils, employers and community organisations should be supported to share these stories.

Engagement should involve trusted intermediaries such as industry bodies, unions, local governments, professional associations and community leaders. These voices often carry more credibility than central government messaging and can contextualise skilled migration within specific sectors and regions.

Yours faithfully,

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