



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

Inquiry into the value of skilled migration to Australia

Hello Committee Secretary,

The following is Global Adelaide's submission to the Joint Standing Committee on Migration's inquiry into the value of skilled migration to Australia, noting that this inquiry follows the Committee's August 2021 Final Report of the Inquiry into Australia's Skilled Migration Program and March 2021 Interim Report.

Global Adelaide is a nonpartisan, not for profit organisation focused on development, revitalisation and prosperity for all South Australians. We produce nationally recognised immigration research to shape immigration policy and practice through:

- Generating new ideas,
- Fostering public discussion, and,
- Informing policy makers,

Founded by Mark Glazbrook, an Australian migration professional and registered migration agent with close to 30 years of Australian immigration experience, Global Adelaide advocates for immigration strategies that drive equitable economic growth across our region. We inform policy makers to shape immigration policy and practice that empowers government, business, industry and the community to create lasting regional change. Global Adelaide is based on [Global Detroit](#) in the US

Global Adelaide has commissioned independent evidence-based research and reports on beneficial immigration reform for Australia's regional and low population growth jurisdictions, including reforms to address current and future workforce needs, improving skilled migrant utilisation and working with the South Australian Skills Commission and other key stakeholders on the design, integrity and implementation of a 407 training visa pilot program with significant international development opportunities. Global Adelaide has also been involved in significant research looking at an alternate distributional methodology for measuring the economic benefit of skilled migration and made submissions to recent national immigration reviews such as:

1. A migration system for Australia's future (2022), and,
2. Supporting strong and sustainable regions, Review of Regional Migration Settings (2023).

As a point of reference, I would like to highlight to the Committee that Section 499 of the Migration Act sets out the purpose of Australia's skilled migration programs, specifically Direction 100 and Direction 105:

Direction 100 (which commenced on 28/10/2022 until 15/12/2023) stated:

Australia's Skilled Migration Program is designed to select people who will make a positive contribution to the Australian economy and labour market, and assist Australian businesses to access workers with skills that cannot be met from the local labour market, including in emerging new technology and growth sectors. The Australian Government also remains committed to assisting employers and communities in regional Australia through dedicated regional skilled visa programs.

Direction 105 (which commenced on 15/12/2023) states:

Australia's skilled visa programs are designed to select people who will make a positive contribution to the Australian economy and labour market, and assist Australian businesses to access workers with skills that cannot be met from the local labour market.

Whilst the intent of Australia's skilled migration programs is clear, namely, to select people who will make a positive contribution to the Australian economy and labour market, outcomes achieved however, do not entirely align to the full intent of these programs. This is evidenced by the current national focus on highly skilled migrants and the economic or fiscal contribution of skilled migration which has taken priority over selecting people who make an immediate contribution to the local labour market by filling critical skilled and workforce shortages, but who make a lower fiscal or economic contribution (measured by their lifetime fiscal contribution) although all skilled migrants when appropriately utilised make a positive net economic contribution to the national economy and the labour market by assisting Australian businesses to access workers with skills that cannot be met from the local labour market.

The current fiscal methodology does not and is not designed to support regional and low population growth jurisdictions in Australia. This is evidenced in many ways, including the significant reduction in state skilled nomination allocations for South Australia where program numbers have been slashed from 3,800 in 2024/25 to 2,250 in 2025/26. This is a significant decrease from 8,800 places in 2022/23. 2,250 places for all industry sectors factoring in or allowing for around 50% underutilisation rates of South Australian state nominated skilled migrants means that under the current system and operational structure for state nominated skilled migrants in South Australia, South Australia is likely to see about 1,125 skilled migrants granted a visa to live and work in SA who will work in their nominated occupations and approximately 1,125 who will be underutilised and not work in their nominated occupations or a closely related occupation. Regrettably, some of these state nominated skilled migrants have no intention to live and work in South Australia or to contribute to the South Australian workforce or economy.

Both the Federal and the South Australian governments are aware of significant skilled migrant underutilisation and have been for some time, yet they have failed to address and resolve these issues. Rather than addressing the cause of underutilisation, they seek to help those who navigate a broken system to find employment post skilled visa grant (with limited success and at a high cost), when we should be reverse engineering the problem and designing a contemporary skilled migration program and system that eliminates the various factors which

lead to and cause underutilisation of skilled migrants. The South Australian government's 2012 Population Strategy Inquiry and the 2019 Economic and Finance Committee Inquiry report into the economic contribution of migration to South Australia (attached) found:

The Committee is concerned that the skills and experiences of migrants are not recognised by South Australian employers, which has resulted in many migrants being unable to find work in their area of expertise, sometimes resulting in them looking interstate for employment opportunities. The Committee notes that South Australia may be missing out on the valuable contributions these migrants could make to businesses and the broader community.

Ongoing structural challenges resulting in skilled migration outcomes that are not aligned with Direction 100 or Direction 105 can be evidenced by:

- Significant skilled migration underutilisation,
- Greater focus and weight placed on maximising the lifetime fiscal contribution of skilled migrants compared to addressing current and future workforce shortage nationally,
- Ongoing critical skills shortages in key and critical industry sectors in both Australia's metropolitan and regional and low population growth jurisdictions,
- Current settlement and distribution patterns of skilled migration visa outcomes,
- A reduction in migration program allocations for programs where skilled migrants earn lower incomes, such as State/Territory Nominated skilled migration programs,
- Ongoing skilled migration changes and program reforms focused on highly skilled, high income, high lifetime tax – the fiscal contribution methodology, rather than reforms designed to address critical workforce shortages in Australia's key industry sectors and in regional and/or low population growth jurisdictions.

This submission contends that the existing fiscal contribution methodology is not the only way to look at the economic contribution of skilled migration to the Australian economy, and why it is important to examine and understand the distributional impact of skilled migration to Australia and ensuring Australia's skilled migration program maximises skilled migration outcomes and is primarily focused on making a positive contribution to the labour market. This will immediately assist Australian businesses and key and critical industry sectors to access a skilled migration workforce with skills and experience that cannot be met from within the existing local labour market. This is an important consideration compared to Australia's current national focus which looks to maximise the long term or lifetime fiscal and economic contribution of Australia's skilled migration program, which has led to significant underutilisation of skilled migrants creating pressure on business and industry, and regional Australia who are unable to meet current workforce needs, as well as the personal impact of underutilisation to the migrant and the impact underutilisation has on wage stagnation and cost of living, plus the detrimental impact on housing availability and affordability.

It is also important for the Committee to note that internationally many similar peer countries are experiencing skills shortages, aging and falling fertility rates, in addition to underutilisation or skilled migration brain waste. These challenges are not unique to South Australia or Australia.

With regards to Australia's skilled migration program outcomes and where Australia is ranked internationally in terms of the attraction and retention of skilled migrants and talent, it is important for the Committee to look at INSEAD's Global Talent Competitive Index and IMD's World Competitiveness Rankings reports.

INSEAD's 2025 Global Talent Competitive Index lists Australia 10th internationally, however, 41st in the world for skills matching, whilst IMD's 2025 World Competitiveness Ranking lists Australia 18th in the world (based on 69 countries included in that report). These reports in addition to various other reports referred to and referenced in this submission including reports on underutilisation of skilled migrants and current and future workforce needs demonstrates that structural reforms to Australia's skilled migration program will not only deliver better program outcomes but will also improve Australia's global rankings and competitiveness.

Australia has a significant opportunity to reform key components of our skilled migration program to deliver better outcomes, in particular through changes to education for international students, the use of skills assessments for migration purposes, better use of migration programs that provide a pathway to permanent skilled migration visa outcomes and through the introduction of testing of competency and proficiency to Australian standards and changes to assessments for literacy testing and the introduction of numeracy assessments as part of the Australian skilled migration program and State/Territory skilled migration program. This submission also introduces the concept for general cognitive ability testing as a complementary selection tool to improve long-term skilled migration outcomes.

Improved data collection should be used to inform and assess key parts or components of eligibility and selection criteria, in addition to the success and outcomes of Australia's state and territory nominated and skilled migration program, including assessments of employment outcomes for those who have completed Australian qualifications. This recommendation would provide valuable and rich data and information regarding the operation and efficacy of Australia's international education program, skills assessments, state/territory nominated skilled migration programs and Australia's overall skilled migration program. Other areas for simple beneficial reforms include removing skills assessments outcomes which provide or result in the award of an Australian qualification.

Improved data collection is important as it will help to assess the quality and standards of courses delivered to international students who primarily use these qualifications to obtain an Australian skilled migration visa. This is important to understand as many completers do not work in their nominated occupation or in a similar occupation, or skill level as their qualification after they have obtained a permanent skilled migration visa. When this occurs, that visa holder is taking the place of another skilled migrant who genuinely intends to, or can work in their nominated occupation following the grant of an Australian permanent skilled migration visa. Where someone does not work in their nominated occupation or in a similar job or role at the same skill level, this has a detrimental impact on underutilisation. It has been seen that VET Automotive completers who have not only obtained a VET qualification as the holder of a student visa and who have completed a Trades Recognition Australia, Job Ready Program skills assessment for migration purposes, have later been assessed as failing to meet proficiency and competency standards and expectations to work in Australia at an appropriately skilled level aligned to the qualification obtained, or to obtain an occupational certificate from the South Australian Government. The National Centre for Vocational Education Research (NCVER) International onshore VET qualification completer outcomes 2023, found that "[In 2023, 28.2% of international onshore qualification completers were employed after training in the same occupation as their qualification](#)". NCVER are a key provider of VET data in Australia. Such outcomes are not only very concerning, they show that parts of the Australian skilled migration program (and some qualifications obtained through Australia's international student visa program) do not assist to address critical workforce shortages but do provide pathways for international students to obtain a permanent Australian skilled migration visa.

Recommendations for beneficial policy reform to Australia's skilled migration program

Examples of policy reforms to increase the integrity of the Australian migration program and ensure that Australia's skilled migration program design is contemporary, and we improve skilled migrant utilisation, and can better address critical workforce shortages, and improve skilled migrant distribution and settlement patterns, and improve our international rankings in terms of attraction and retention of skilled migrants are contained in this submission.

The following recommendations are submitted to the Committee and this inquiry as opportunities to modernise and reform Australia's skilled migration program and significantly improve program outcomes. This recommendation will also ensure that the South Australian government and Australia government can reduce migrant underutilisation which cost the South Australian and Australian economy billions of dollars every year and increases pressure on housing availability and affordability.

Whilst this submission is largely based on research, migration program outcomes, existing operational pilots and other pilot programs currently being considered and designed in South Australia, this research, pilots and proposed changes to Australia's skilled migration program including changes to skills recognition and skills assessments apply nationally.

- Recommendation 1. Implement urgent and immediate reforms to the 407 training visa program requiring training to be registered and comply with State and Territory training acts, and for training contracts to comply with local and federal legislation ensuring consistency with training and contracts that exists for Australian residents and citizens. This is an urgent reform following [the Coroners Court of New South Wales inquest into the death of Jerwin Royupa](#).
- Recommendation 2. Expansion of the South Australian Skills Commission's 407 Government Support Training Visa Pilot Program, to other Indo-Pacific and ASEAN member countries, increasing South Australia and Australia's international development programs and outcomes.
- Recommendation 3. Work with the Philippines Embassy in Canberra and the Philippines Government to add the 407 visa to the Philippines Government list of Australian visas regulated by the Department of Migrant Workers
- Recommendation 4. Introduce a State Nominated Hybrid migration program.
- Recommendation 5. Ensure that Section 45A of the SA Skills Act is strictly adhered to and amendments made by ASQA, CRICOS, the Department of Home Affairs, skill assessing bodies and the SA Government so that the South Australian Government does not nominate people for a skilled migration visa where the qualification held does not meet South Australian standards and legislation.

- Recommendation 6. Ensure that any State nominated skilled migrant candidate completes an Occupational Recognition Service (ORS) assessment to test skills, knowledge, competency, proficiency, numeracy and literacy to ensure that any state nominated migrants have the skills, competency and proficiency required by the industry and business and that skilled migrants can meet local licencing requirements.
- Recommendation 7. Ensure that any state nominated skilled migrant who has completed a course of study that does not comply with Section 45a completes an ORS assessment and holds an occupation certificate before being nominated for a South Australian state nominated skilled migration visa.
- Recommendation 8. For any SA graduate that does not meet the requirements for the issuance of an ORS Occupational Certificate, that a pathway exists through the 407 training visa program to complete individualised training allowing the graduate to obtain an occupational certificate.
- Recommendation 9. Trial an apprenticeship/traineeship student visa in South Australia with the South Australian Skills Commission.
- Recommendation 10. Reform and broaden the operation of the Skilled Migration Officials Group to include key business and industry representatives to make better and more informed immigration policy and program reform.
- Recommendation 11. Introduce numeracy testing alongside existing literacy testing for all visa applications.
- Recommendation 12. Create and implement general cognitive ability test to measure cognitive abilities to maximise skilled migrant outcomes.
- Recommendation 13. Investigate current, future and previous outcomes of the South Australian state nominated skilled migration visa program over the last decade to understand the corresponding settlement, employment, income and distribution patterns of state nominated migrants. These outcomes can be used to inform future program and policy reform to drive and facilitate improved economic, employment, utilisation, cultural and social outcomes of Australia's and South Australia's skilled and state nominated skilled migration program, whilst increasing transparency, integrity and the understanding and social licence pertaining to skilled migration in Australia.

Terms of Reference

I note that The Joint Standing Committee on Migration shall inquire into and report on Australia's skilled migration program, with reference to:

- a) The ongoing economic, social and cultural value of skilled migration to Australia;
- 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.
- e) Strategies to enhance public awareness and understanding of the role of skilled migration in Australia; and
- f) Approaches taken in other countries with similar migration objectives.

Summary of the submission in relation to the terms of reference:

(a) The ongoing economic, social and cultural value of skilled migration to Australia

This submission explains that “value” should not be treated as a single measure, it can mean:

- 1. fiscal/economic contribution (often measured through lifetime tax and service-use modelling),
- 2. the real-world labour-market contribution (filling vacancies that cannot be filled locally),
- 3. population and demographic sustainability (ageing, fertility decline, productivity), and
- 4. broader social and cultural benefits and social licence.

A central claim is that the current policy emphasis on lifetime fiscal contribution, in practice, has become an organising principle of skilled selection, at the expense of addressing immediate and structural workforce shortages. The submission highlights the “Fiscal Impact of New Australians” model (FIONA) as influential in steering the system toward “high income, high lifetime tax contribution” settings, and contends that this focus can misalign with labour-market needs, especially in regional and lower-wage jurisdictions.

The submission also argues that underutilisation (skilled migrants not working in their nominated occupation or at the appropriate level) undermines both the fiscal projections and the lived economic outcomes, because migrants still require housing and services, but do not deliver the intended labour-market return.

This submission advocates a stronger focus on the “distributional impact” of migration, the shorter-term and regionally-specific economic and labour effects of migrants living and working in a community (including consumption demand, flow-on job creation, and regional productivity gains). It argues this lens would better demonstrate tangible economic value and strengthen social licence by showing communities how migration addresses real shortages and produces local benefits.

Using referenced BDO modelling, the submission evidences how filling persistent vacancies (including medium and lower-skilled roles in regional economies) generates material “flow-on” economic benefits, including additional full-time equivalent jobs and increased Gross State Product through inter-regional linkages and induced demand.

The submission frames durable social value as dependent on program integrity and outcomes, a “shared benefit” model where Australia gains a worker who is willing and able to work in the nominated occupation, and the migrant gains a stable pathway. It argues that when outcomes are poor (underutilisation, mismatched skills, exploitation), public confidence falls, diminishing the social licence for migration.

This submission provides evidence to the Committee that:

- Skilled migration’s value is multi-dimensional and should be assessed beyond lifetime fiscal modelling.
- Underutilisation is a major value-destroyer (economic, social, and housing pressure).
- “Distributional” benefits and vacancy-filling effectiveness are positioned as key to demonstrating value and securing social licence.

(b) Effectiveness of current skilled migration settings in meeting state and territory needs, while recognising housing and infrastructure constraints

Core finding: current settings are not effective for many jurisdictions.

The submission’s position is unambiguous, current settings (selection settings shaped by FIONA plus existing eligibility rules, skills assessments, and state nomination criteria) are “not effective” at meeting current and future needs across states and territories, with particular emphasis on regional/low population growth states like South Australia.

South Australia is a case study for structural misalignment.

The submission argues that the FIONA-driven approach does not support regional jurisdictions and points to sharp reductions in South Australia’s state nomination allocations over recent program years. It further suggests that high underutilisation means that even the reduced allocations deliver fewer “effective” workers than headline numbers imply, because a large share do not work in their nominated occupation or do not remain in the South Australia.

Underutilisation and housing: the submission’s “double demand” problem.

A major theme is that underutilisation amplifies housing demand without delivering proportional labour-market benefit:

- If a skilled migrant does not fill a skilled vacancy, they still require accommodation.
- Governments then need to bring in additional migrants to fill the vacancies that remain unfilled.
- This creates unnecessary additional demand for housing and infrastructure, worsening housing affordability and availability pressures.

The submission gives a worked illustration for South Australia using reported findings (based on research and reports from Flinders University and Deloitte Access Economics) which indicate: if around half of state-nominated skilled migrants do not work in their nominated occupation,

then to fill a given number of vacancies the state would need roughly double the nominations, which in turn implies substantially more housing demand than necessary under an efficient program.

The submission attributes persistent ineffectiveness to:

- Lack of robust outcome data (who works in their nominated occupation, who stays in the nominating state, outcomes by education provider/assessment type).
- Program settings that over-prioritise lifetime fiscal return over immediate workforce needs (particularly in critical sectors and lower-wage regions).
- Structural pathways (including some student-to-PR pathways and certain skills assessment settings) that enable qualifications/assessments without ensuring job-ready proficiency.

The submission argues effectiveness requires:

- Selection mechanisms that better match migrants to actual vacancies (demand-driven and/or hybrid models).
- Stronger competency/proficiency validation (including literacy and numeracy) to reduce skilled migrant mismatch and underutilisation.
- Better use of training-to-work pathways (notably the 407 training visa) as part of an integrated workforce strategy.

This submission to the Committee contends that:

- Current settings are argued to be systemically misaligned with state/territory workforce realities, especially regional states and regional jurisdictions.
- Underutilisation is presented as a direct driver of unnecessary housing/infrastructure pressure.
- Better outcome data and structural reforms are framed as essential to improving “effectiveness.”

(c) Scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities

This submission argues Australia’s skilled program is not designed to reliably fill critical shortages, has essentially not changed over the past 3 decades and is overly shaped by fiscal optimisation rather than systematically targeting critical shortages (construction, infrastructure, healthcare, aged care, disability, automotive trades, mining and resources, agriculture, forestry and fishing) in regional and low population growth jurisdictions.

A headline proposal and central reform lever is to introduce a mandatory occupational recognition assessment (or equivalent) to test:

- competency and proficiency to Australian standards,
- literacy, and
- numeracy.

The absence of such testing is a significant flaw that contributes directly to underutilisation, poor skills matching and substandard program outcomes.

This submission also calls for adding numeracy testing more broadly, alongside existing literacy testing, and consideration for the implementation of general cognitive ability testing to maximise outcomes.

This submission suggests that not fixing integrity concerns and continuing to operate Australia's skilled migration program, including state and territory nomination programs without improving job-ready capability and matching simply increases underutilisation and housing pressure. The approach proposed is:

- tighten integrity in pathways where training and migrant skills do not translate into job readiness,
- ensure assessment aligns with licensing/industry requirements,
- build training-to-proficiency pathways where needed (rather than granting a permanent skilled migration visa on the basis of minimal or no institutional training).

The submission strongly highlights the 407 training visa program as a vehicle to address shortages, provided safeguards are strengthened. Key proposals include:

- urgent reforms requiring training to be registered and compliant with state/territory training acts, and recognition of training contracts federally, with reference to safety/integrity concerns.
- expansion of South Australia's 407 Government Support Training Visa Pilot to other Indo-Pacific/ASEAN countries.
- building pathways for graduates who are not job-ready to complete individualised training via 407 to reach an occupational certificate standard.

The submission proposes introducing a "State Nominated Hybrid migration program", combining elements of supply-driven (points) and demand-driven (employer/industry need) selection, aimed at improving vacancy matching and reducing underutilisation.

This submission to the Committee contends that:

- Targeting and outcomes improves most when the system verifies job-ready competence (not just paper eligibility).
- Stronger occupational recognition assessment and expanded literacy/numeracy testing are essential to reducing mismatch.
- Properly regulated training pathways (especially 407) are positioned as scalable tools to fill critical shortages while maintaining integrity.

(d) Scope for skilled migration settings to more effectively support Australian businesses, boost productivity and encourage innovation.

Significant scope exists, but structural inefficiencies must be addressed.

This submission states there is "significant scope and opportunities" to better support business and productivity through reforms across:

- international student training pathways,
- skills assessment and eligibility,
- occupational recognition assessments,

- stronger literacy and numeracy testing,
- better use of training visas and pathways to permanent residency.

The central premise is that productivity and innovation gains are constrained when migration delivers high underutilisation and poor occupational matching, because businesses still cannot access workers with the needed skills, despite high post covid migration inflows.

Improving business outcomes through better matching, Demand-driven vs supply-driven:

This submission emphasises that demand-driven programs have better utilisation because employers select for real vacancies, and that Australia should move away from a primarily fiscal-driven supply driven approach toward a demand-driven model underpinned by a distributional methodology. However, the minimum salary level requirements for demand driven migration programs in regional and low population growth jurisdictions causes significant concerns.

This submission also contends that a well-functioning permanent skilled migration program would reduce reliance on temporary employer-sponsored visas (because more permanent entrants would actually work in the occupations they were selected for).

A barrier to demand-driven business access is the increasing minimum income thresholds (TSMIT/CSIT) linked to the FIONA methodology and regional wage structures.

The submission raises concerns about the Temporary Skilled Migration Income Threshold (TSMIT) / Core Skills Income Threshold (CSIT) settings as a constraint on employers, especially in lower-wage jurisdictions and regions. In particular:

- many employers in these regions struggle to access the migration program to address critical workforce shortages where the local market salary rate is below the threshold,
- thresholds will likely rise further to over \$80,000 with CPI indexation on 1 July, 2026,
- the system creates a perceived inconsistency where points-tested visa holders can be hired at award/market rates, but employer-sponsored pathways face minimum threshold floors when working in the same job or occupation.

A reoccurring theme in this submission is that better data collection and analysis is required to design program and operational settings that genuinely lift productivity and that Australia lacks detailed outcome tracking to evaluate which pathways produce strong labour-market matching, and which produce underutilisation (for example, outcomes by qualification type, education provider, and skills assessment pathway). This submission argues that improving this data would enable more precise settings that support business needs and productivity outcomes.

This submission to the Committee contends that:

- Businesses benefit most from skilled migration when matching and job-readiness are structurally enforced (reducing underutilisation).
- A shift toward demand-driven and hybrid models is presented as a key productivity lever.

- Threshold settings (TSMIT/CSIT) are raised as practical constraints for regional businesses and may need re-thinking if the goal is genuine workforce access and productivity gains.

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

Public confidence follows outcomes and integrity.

This submission's view is that enhancing public awareness is not mainly a communications exercise, it requires reforms that improve outcomes, reduce "brain waste"/underutilisation, and show communities clear benefits. It argues the system should "change the narrative and language" by quantifying need, opportunity, benefits to local residents, and by improving integrity to strengthen social licence. This will reduce negative confirmation bias regarding Australia's skilled migration program.

What to communicate, according to the submission.

This submission implies the most persuasive public story is evidence-based and local:

- show that migration is addressing genuine shortages (not simply increasing population),
- show the flow-on or downstream benefits (flow-on jobs and creation of new employment and training opportunities for local residents, services delivered, projects completed, businesses operating),
- show that settings prevent mismatch and exploitation,
- make visible the trade-off between "efficient matching" and housing pressure (the submission argues better matching reduces the need for higher migrant numbers, easing housing stress) – doing more, with less.

The "shared benefits" narrative.

This submission repeatedly returns to "shared benefit" as the foundation of social licence where migrants receive opportunity and stability, and Australia receives a worker capable of working in the nominated occupation, reducing shortages and improving services.

Practical strategy implied by the submission.

While not laid out as a marketing plan, the submission effectively proposes a public-awareness strategy anchored in:

1. measuring and publishing outcomes (employment in nominated occupation, regional retention, utilisation rates),
2. reforming selection and assessment to improve those outcomes (competency/proficiency testing, better integrity),
3. communicating localised evidence of benefits (distributional impacts, vacancy-filling and job/employment creation),
4. demonstrating reduced unintended consequences (less underutilisation, less housing pressure per filled vacancy).

This submission to the Committee contends that:

- Public support increases when the program visibly fills genuine shortages with integrity and employability competence.
- There is a benefit in communicating migration as a targeted workforce solution with measurable local benefits (“distributional” impacts), not just a macro intake number.
- Reducing underutilisation is positioned as the single biggest way to improve social licence (including by reducing avoidable housing demand).

(f) Approaches taken in other countries with similar migration objectives

Learn globally, but Australia already has enough evidence to act.

This submission recognises the value of understanding comparable systems, especially given shared global challenges (skills shortages, ageing, declining fertility, underutilisation/brain waste).

However, this submission argues Australia does not need to “look to others” to find public-awareness strategies, because the evidence base for better approaches is already available through the cited research (BDO/BDO Econsearch, and the 407 pilot design work).

For international comparison, the submission highlights a key analytical lens, points-based (supply-driven) systems versus employer nominated/sponsored (demand-driven) systems, referencing a Migration Policy Institute report as a strong discussion of competing approaches.

The implied takeaway is that many countries struggle with underutilisation particularly in supply-driven systems, and that improved matching and employer/industry linkage can lift utilisation.

The submission proposes that Australia should assess and benchmark ourselves against international competitiveness and talent indices, specifically:

- INSEAD Global Talent Competitiveness Index (noting Australia ranks highly overall but poorly on “skills matching”),
- IMD World Competitiveness Ranking (Australia’s positioning used to support the case for structural reforms that lift competitiveness).

The submission uses these benchmarks to support the argument that improving utilisation/skills matching is not just a social policy issue, it is a competitiveness issue.

This submission to the Committee contends that:

- Underutilisation is a global challenge, Australia should benchmark itself using “skills matching” concepts and competitiveness measures.
- The meaningful cross-country lesson is the structural difference between points-based and demand-driven selection, and how each affects matching and outcomes.
- Australia can act now using domestic evidence and pilots (especially around distributional impact methods and regulated training-to-work pathways), rather than waiting for overseas templates.

Summary of recommendations for beneficial policy reform to Australia's skilled migration program.

Recommendation 1.

Implement urgent and immediate reforms to the 407 program requiring training to be registered and comply with State and Territory training acts and for these training contracts to be recognised federally.

The submission identifies urgent integrity and safety risks within the current operation of the Subclass 407 Training visa, particularly where training is not delivered under registered training contracts or compliant with State and Territory training legislation. The Coroners Court of New South Wales inquest into the death of Jerwin Royupa is cited as a critical trigger for reform, highlighting systemic failures in oversight, accountability, and worker protection where training arrangements fall outside established apprenticeship and traineeship frameworks.

In South Australia, Section 45A of the *South Australian Skills Act* requires that training in declared trades occur under a recognised training contract. However, the submission demonstrates that many international trainees and graduates are currently undertaking "training" that does not meet these standards, creating a parallel system that lacks the safeguards applied to Australian citizens and permanent residents. This inconsistency undermines training quality, worker safety, and public confidence.

This submission argues that the 407 program should be restructured so that:

- all trade-based training must be registered and compliant with State and Territory training acts,
- training contracts are formally recognised at the federal level, and
- training mirrors the standards, supervision, and protections afforded to Australians.

The South Australian Skills Commission 407 Government Support Training Visa Pilot is presented as a proof-of-concept for a higher-integrity model, where training is structured, supervised, and aligned with workforce needs. This submission contends that failure to act risks further safety incidents, exploitation, and erosion of public trust in skilled migration and training pathways.

Recommendation 2.

Expand the South Australian Skills Commission 407 Government Support Training Visa Pilot Program to other Indo-Pacific and ASEAN member countries.

The submission strongly supports expansion of the South Australian Skills Commission's 407 Government Support Training Visa Pilot as a scalable, high-integrity workforce and international development model. It argues that the pilot demonstrates how structured training migration programs can deliver measurable economic, workforce, and international development outcomes when properly regulated.

Economic modelling cited in this submission shows that training 50 Filipino enrolled nurses through the pilot, at an estimated cost of approximately \$36,900 per participant (total investment \$1.845 million), would generate 37.5 full-time equivalent jobs and an estimated

\$18.9 million in additional GDP per year. These outcomes significantly exceed the initial public investment, illustrating strong value-for-money.

Beyond economic returns, this submission positions the pilot as an international development initiative that builds skills, institutional links, and workforce capacity across the Indo-Pacific and ASEAN regions. Expansion would strengthen Australia's regional engagement, support partner countries' workforce development, and provide a sustainable pipeline of skilled workers aligned with Australian standards.

This submission recommends extending the pilot beyond its current scope, with South Australia acting as a national testbed for a reformed training-migration model that could be replicated across other states and territories.

Recommendation 3.

Work with the Philippines Embassy and Government to include the 407 visa on the Philippines Government list of Australian visas governed by the Department of Migrant Workers.

The submission highlights the importance of government-to-government cooperation in strengthening integrity and worker protections for participants in the 407 program, particularly for Filipino nationals. It recommends formal engagement with the Philippines Embassy and Government to include the Subclass 407 visa on the list of Australian visas overseen by the Philippines Department of Migrant Workers (DMW).

Inclusion under the DMW framework would:

- improve oversight of recruitment practices and reduce exploitation risks,
- ensure clearer pre-departure briefing and worker protections, and
- reinforce the 407 pilot as a structured development pathway rather than a loosely regulated labour channel.

This submission frames this recommendation as consistent with Australia's broader regional labour mobility objectives and argues it would strengthen bilateral trust while protecting vulnerable workers.

Recommendation 4.

Introduce a State Nominated Hybrid migration program.

This submission argues that Australia's current skilled migration architecture forces an artificial divide between supply-driven (points-tested) and demand-driven (employer-sponsored) pathways, which has resulted in inefficiency, higher costs, and poor workforce matching, particularly for state and territory governments nominated programs. A State Nominated Hybrid migration program is proposed to combine the strengths of both systems while addressing their shortcomings.

Under the current framework, where state governments are effectively the end-users of skilled migrants in public services such as health, aged care, disability, education and infrastructure delivery, the reliance on employer-sponsored pathways (for example the Subclass 186 visa) creates unnecessary financial and administrative burdens. These include the Skilling Australians Fund (SAF) levy, nomination fees, and higher professional and compliance costs, despite the state being the ultimate beneficiary of the labour.

The submission estimates that replacing certain employer-sponsored outcomes with a hybrid state-nominated pathway could save up to \$6,500 per application. At a conservative estimate of 250 nominations per year, this represents approximately \$1.625 million in annual savings to South Australia alone. These savings could be redirected to workforce development, training, and settlement support.

More importantly, a hybrid model would improve labour-market outcomes by aligning selection with verified workforce demand while maintaining state/territory control over selection, nomination and settlement patterns, while increase retention and utilisation. By embedding employer or industry endorsement within a state-led framework, the program would reduce underutilisation, improve retention in critical sectors, and ensure migration outcomes better reflect public investment priorities.

Recommendation 5.

Ensure Section 45A of the SA Skills Act is adhered to and prevent state skilled migration nomination where qualifications do not meet South Australian standards.

A central integrity concern identified in the submission is the routine nomination of skilled migrants whose qualifications do not comply with Section 45A of the South Australian Skills Act, which requires that training in declared trades be undertaken under a recognised training contract. This submission demonstrates that international students have been able to complete trade qualifications outside these requirements, resulting in graduates who do not meet South Australian legislative or licensing/occupational standards.

This misalignment has downstream consequences for skilled migration outcomes. Migrants nominated on the basis of non-compliant qualifications frequently cannot obtain licensing, cannot work in their nominated occupation, or are forced into lower-skilled employment. This directly contributes to high underutilisation rates among state-nominated migrants, undermining both economic outcomes and public confidence.

The submission argues that the South Australian Government should not nominate any skilled migrant where the qualification relied upon does not meet state legislative requirements. It further calls for alignment between ASQA, CRICOS providers, skills assessing authorities, and state nomination bodies, so that training providers cannot produce qualifications that are migration-usable but legislatively invalid within the state.

Strict adherence to Section 45A is presented not as a barrier to migration, but as a necessary safeguard to ensure that nominated migrants are genuinely job-ready and capable of contributing to the South Australian economy.

Recommendation 6.

Require Occupational Recognition Service (ORS) assessment for all state-nominated skilled migrants.

This submission identifies the absence of competency, proficiency, numeracy, and literacy testing in the South Australian state nomination processes as one of the most significant structural weaknesses in the current system. While skills assessments and qualifications are relied upon, they do not consistently test whether a person can perform the occupation to Australian workplace and licensing standards.

South Australia's Occupational Recognition Service (ORS) is presented as a proven mechanism to fill this gap. The ORS assessment tests real-world skills, knowledge, and proficiency, alongside literacy and numeracy, providing a far more accurate measure of job readiness.

Evidence cited in this submission shows that South Australia experiences particularly high rates of underutilisation among state-nominated migrants, which is attributed in part to the lack of such testing. Without ORS-style assessment, migrants may meet visa criteria but still be unable to work in their occupation, resulting in wasted migration places and increased housing and service demand without corresponding workforce benefit.

Mandating ORS assessment prior to nomination would ensure that state-nominated migrants can meet industry and licensing requirements, reduce underutilisation, and improve confidence among employers and the broader community.

Recommendation 7.

Require ORS assessment and occupational certification where study does not comply with Section 45A.

Where migrants have completed training that does not comply with Section 45A of the SA Skills Act, this submission argues that nomination should only proceed if the individual has successfully completed an ORS assessment and holds an occupational certificate.

This requirement would act as a quality control mechanism, ensuring that non-compliant training pathways do not result in the automatic grant of permanent migration outcomes. It recognises that while some individuals may have acquired skills informally or overseas, those skills must still be verified against South Australian standards before nomination by the South Australian Government.

This submission emphasises that this approach protects both migrants and the community. Migrants avoid being granted permanent visas they cannot effectively use, while employers and industries receive workers who are genuinely capable of performing the role.

Recommendation 8.

Create a 407 pathway for SA graduates unable to immediately meet ORS certification requirements.

For South Australian graduates who cannot immediately meet ORS certification standards, this submission proposes a structured pathway through the Subclass 407 Training visa. This pathway would allow graduates to undertake individualised, supervised, and compliant training to reach occupational certification.

Rather than excluding these graduates from migration pathways or allowing underqualified nomination, this submission frames this approach as a constructive solution that preserves integrity while supporting workforce development. The SA Skills Commission 407 pilot is an existing framework capable of delivering such training outcomes.

This approach aligns migration, training, and workforce needs, and avoids the creation of a cohort of permanently underemployed graduates and state nominated skilled migrants.

Recommendation 9.

Trial an apprenticeship/traineeship student visa in South Australia.

The submission highlights serious concerns about the adequacy of some institutional trade training pathways for international students. It provides examples where Certificate III programs include as little as 8 hours per week of on-the-job training over 50 weeks, or the lack of any on-the-job training, which this submission argues is insufficient to produce trade ready workers.

An apprenticeship or traineeship student visa pilot is proposed to address this issue. Such a visa would require training under recognised contracts, ensure meaningful workplace exposure, and align international training pathways with those used for Australian apprentices.

This submission argues that this model would significantly improve skills outcomes, reduce underutilisation, and restore integrity to trade-based migration pathways for international students and recent graduates.

Recommendation 10.

Change how SMOG operates and informs immigration policy and program reform.

This submission challenges the current operation of the Skilled Migration Officials Group (SMOG) for its limited use of outcome data and its focus on short-term program settings rather than long-term effectiveness. This submission contends that SMOG's advice should be grounded in evidence of what actually works, rather than assumptions embedded in existing policy frameworks.

Reform should include better feedback loops, evaluation of utilisation outcomes, and integration of state-level data into national decision-making. Without this, policy continues to address symptoms, such as shortages and housing pressure, rather than structural causes like poor matching and underutilisation.

Recommendation 11.

Introduce numeracy testing alongside existing literacy testing.

This submission explicitly calls for numeracy testing across skilled visa programs, arguing that literacy testing alone is insufficient. Numeracy is identified as critical for safe and effective performance in trades, health, construction, and technical roles, yet this is not currently tested as part of the existing eligibility criteria for a skilled migration visa, or other work/employment visas.

Poor numeracy contributes to workplace errors, safety risks, and underperformance, which in turn drives underutilisation and negative public perceptions of skilled migration. This submission argues that numeracy testing would materially improve selection outcomes and skilled migrant utilisation and workforce readiness.

Recommendation 12.

Implement a general cognitive ability test.

A general cognitive ability test is proposed as a complementary selection tool to improve long-term skilled migration outcomes. This submission links cognitive ability to adaptability, problem-solving, and the capacity to retrain or upskill, particularly in a rapidly changing labour market.

While this submission does not prescribe a specific testing model, it positions cognitive testing as an evidence-based way to maximise productivity and settlement success, especially when combined with skills, language, and numeracy assessments.

Recommendation 13.

Investigate long-term outcomes of South Australia's state-nominated skilled migration program.

This submission argues that Australia lacks meaningful longitudinal data on the outcomes of state-nominated migrants, particularly in relation to settlement location, employment, income, and occupational utilisation. This data gap has persisted for over a decade and has impaired effective policy design.

This submission proposes a structured review using tax file number linked, de-identified data, with South Australia providing nominee lists to the ATO and analysis undertaken by the ABS. This would allow governments to understand where migrants live, whether they work in their nominated occupation, and how their income compares across visa categories.

This submission notes that existing data (including CSAM Cohort 8) suggests state-nominated migrants perform worse on key employment and utilisation indicators than Subclass 186 and Subclass 189 migrants. Understanding these patterns is essential to reforming the program and improving economic, social, and settlement outcomes.

Submission to The Joint Standing Committee on Migration.

I refer to the Terms of Reference for the current Joint Standing Committee on Migration inquiry into the value of skilled migration to Australia in my submission below.

Contextually “value” can have a number of various meanings when discussing, examining or thinking about skilled migration to Australia, for example how much is the skilled migration program worth to Australia in terms of monetary benefits, currently measured by the Fiscal Impact of New Australians (FIONA) methodology. It can also relate to the value of skilled migration in terms of the creation of new employment and training opportunities due to the increased demand for goods and services which are created when skilled migrants arrive in Australia, this also has a corresponding economic value through an increase in social welfare and taxes paid to state and territory governments and the federal government. Value can also mean what is the importance of the skilled migration program to address critical workforce needs and shortages, and population and workforce demographic challenges including aging, fertility and productivity. Value can also relate to the value that the general public, or state and territory or the federal government and industry bodies place on skilled migration to Australia.

The Australian skilled migration program is made up of various visa types, with various pathways and visa programs that exist enabling a visa applicant to obtain one of Australia’s various skilled migration visas. Some pathways can include multiple temporary visas before an application is made for a permanent skilled migration visa or being able to transition to a permanent skilled visa from a temporary visa, while some will follow a pathway from a temporary visa to a provisional visa before being eligible for a permanent skilled migration visa. Other visas can be applied for directly, as a direct entry applicant. Some are independent skilled applicants, others are nominated by a state or territory government. All of these different visas and visa programs are typically captured by two distinct programs. Supply driven (or human accumulation) migration, where policies and targets are set by government and demand driven, where employers select skilled migrants based on the unique and individual needs of the business. Both supply and demand driven migration have rules, regulations, legislation and policy that govern these programs, and they have different outcomes in terms of their efficacy and outcomes and influencing the settlement and distribution patterns of skilled migration visa holders. There are genuine skilled migrants who are seeking an opportunity to live and work in Australia in their nominated occupation, then there are others who seek to use and manipulate the Australian migration program to achieve an outcome for their own personal gain. In addition to this there are significant flaws in the FIONA methodology and the skill assessment processes that result in significant underutilisation, which here in South Australia is the worst in the country according to a recent report from Deloitte and another from Flinders University which found that almost 1 in 2 skilled migrants in South Australia nominated by the South Australian government will not work in their nominated occupation or at an appropriately skilled level, yet the national skilled migration program and the state nomination program in South Australia continue to favour highly skilled migrants over designing and using the migration program specifically to address critical workforce needs across all occupations regardless of the salary and tax paid by the migrant. This approach which currently governs the Australian skilled migration program appears to favour quantity over quality.

FIONA or the [Fiscal Impact of New Australians model](#) was developed by The Treasury to estimate the fiscal impact of permanent migrants over their remaining lifetimes in Australia.

With very simple reforms, it is possible to address skills shortages, improve underutilisation and increase the fiscal benefits of the Australian skilled migration program, yet Australia and

the South Australian government continue to do the same thing, year after year, decade after decade, which can only continue to deliver the same outcomes. Cause and effect.

The fiscal impact and benefit of migration to Australia started to be tracked and considered in its current structure around 2015, since this time what was initially designed to be a tool to measure the Fiscal Impact of migration has become the focus and driver of the move to a “Highly Skilled” skilled migration program and its operational structure. It would appear that the FIONA methodology is somewhat flawed due to the significantly high number of underutilised skilled migrants in Australia, meaning its projections are not entirely correct or accurate. Underutilised migrants are largely an outcome that is achieved due to the current operational structure of the skilled migration program, including international students and the current skills assessment process for some higher education and trade based occupations. In the case of the later, international students can come to Australia to study an institutionalised training program, obtain a formal certificate III qualification after 12 months, sometimes with no on the job training, then complete a Job Ready Program skills assessment and qualify for a permanent skilled migration visa, but lack the competency and proficiency, and sometimes the numeracy and literacy required to work in the nominated occupation in Australia. Underutilisation of skilled migrants is often referred to as “brain waste” however, underutilisation of skilled migrants who do not possess the relevant or required competency or proficiency, and numeracy and literacy required to work at the skilled level in Australia is a wasted or lost opportunity. We cannot expect to see any improvements in terms of utilisation rates of skilled migrant outcomes unless we change the operational structure. In South Australia, the SA Government is spending millions of dollars to address and improve underutilisation of skilled migrants nominated through South Australia’s state nomination program, however, it is the SA Government (and federal governments) eligibility criteria which is the cause of most underutilisation. Rather than trying to help skilled migrants nominated by the South Australian government find employment (when in most cases they are unemployable or are not seeking employment in their nominated occupation), a better and more contemporary approach would be to simply change and adjust the eligibility criteria and operational structure of the problem. Fix the problem and underutilisation will correct itself. Underutilisation of skilled migrants (and other migrants) is a significant problem that can be improved, however, this requires federal and state government intervention. Reports on underutilisation in South Australia date back well over 20 years and as such, this significant problem is not a new phenomenon, this is also not an issue simple related to South Australia or Australia, underutilisation or brain waste is an international challenge, as is skills shortages, however, despite this significant challenge, the solution is remarkably easy and simple.

The continued push and policy/program reforms towards higher fiscal benefits being derived from the skilled migration program is not the only way to measure and improve the economic benefits achieved through Australia’s skilled migration program. One could also argue that the best use of the skilled migration program is to address critical workforce shortages that provide the greatest immediate benefit today and over the short to medium term rather than measuring this over the lifetime of a skilled migrant. [The 2023 Review of the Migration System final report](#) found that the average fiscal impact of permanent skilled migrants per visa stream was (see Figure 24. Page 62):

1. Demand driven, Subclass 186 Employer Nominated Program	\$291,000
2. Supply driven, Subclass 189 Skilled Independent (points tested)	\$205,000
3. Supply driven, Subclasses 190 and 491 - State Nominated and Regional (points tested/state nominated)	\$102,000

It is no wonder and should come as absolutely no surprise that the SA Governments state nominated skilled migration program numbers have been cut significantly post covid from 8,800 to 3,800 in 2024/25 and again to 2,250 in 2025/26 as it is clear that the state nominated program in South Australia has higher underutilisation and a lower per person fiscal impact. Changes to the SA Government eligibility and selection criteria would not only address critical workforce shortages, it would improve our national leading underutilisation rates, whilst also increasing the average per person fiscal impact of state nominated migrants, therefore presenting a genuine reason or case for the SA Government to maintain or increase South Australia's state nomination allocation. This applies to other jurisdictions where underutilisation of state nominated skilled migrants is also problematic. The introduction of a new Hybrid skilled visa based on a combination of supply and demand driven migration models would also significantly improve outcomes.

The Review of the Migration System Final Report, 2023 also states:

"In recent years (Figure 25), the proportion of places allocated to the visas providing the greatest economic benefit has declined. In the 2020-21 Migration Program only 39 per cent of places were allocated to the Employer Sponsored and Skilled Independent Programs. While this has increased to 48 per cent in the 2022-23 Migration Program, a majority of places continue to be provided for less highly performing visas in economic terms – the State and Territory nominated visas, regional visas and other niche visas, including the BIIP"

The report also references the Grattan Institutes submission to the review which stated:

"The Panel notes the Grattan Institute has raised the concern that diverting skilled migrants to regional areas is likely to reduce the net benefit of migration to Australia. It argues that Australia's major cities are more productive than regional areas, offer more diverse employment opportunities and provide greater economic certainty to skilled migrants. Grattan also suggests requiring migrants to settle in regional areas will not maximise the fiscal benefits of the Migration Program as it will reduce migrant incomes and taxes paid."

Challenges with regards to the Australian skilled migration program are nothing new, including with regards to the settlement and distribution pattern of skilled migrants. If we look back to the 1990's (16th of June 1997 to be exact) Philip Ruddock the Minister for Immigration said:

"The smaller States have tended to miss out on the benefits of skilled migration because the settlement pattern of migrants has been heavily skewed towards Australia's largest metropolitan areas." And, "The Government recognised that measures were needed to ensure that the benefits of skilled migration were felt throughout Australia, not just the major metropolitan areas."

On one hand there is a call for greater regional skilled migration outcomes, but on the other there is an opposing fiscal methodology supported by many including Treasury and the Grattan Institute.

Of most interest is the lack of data pertaining to migration outcomes in Australia, in particular the success of the skilled migration program or components of the program, and the distributional impact of migration outcomes. I strongly recommend that as part of this review the Committee seek detailed information on the performance of the Australian skilled migration

program to ensure that the future of the Australian skilled migration program can be designed to deliver the best possible outcomes. For example, how many people who completed an Australian qualification institutionally in the VET or Higher Education sector are currently working in their nominated occupation, or how many people nominated by the South Australian government are currently living and working in South Australia. This evidence could be captured in a number of ways but allowing us to look at successful outcomes per occupation, per education provider and even based on the type of skills assessment conducted and if a skilled migrant completed a professional year program or completed 12 months of work experience to be eligible for a skills assessment for migration purposes. If we genuinely want to maximise the benefits of Australia's skilled migration program, we need to understand skilled migration program outcomes and identify any trends, allowing the skilled migration programs operational structure and eligibility criteria to be managed and adjusted as and when required.

Australia and indeed South Australia could achieve far greater outcomes with lower skilled migration program numbers (less migrants) if the Australian skilled migration program was more contemporary in its design and nuanced. This would include changes to Australia's student visa programs which almost guarantee international students with a pathway to permanent residency, with many institutions and international students exploiting this program for personal or commercial gain.

I previously commissioned BDO Econsearch to explore the fiscal benefit of migration and to examine an alternate methodology of measuring the economic benefit of the Australian migration program, and its impact on addressing critical workforce shortages. The first report examined the distributional impact of migration. More recently I founded Global Adelaide (a not for profit organisation) which commissioned BDO to conduct further migration research pertaining to current and future workforce needs and potential policy solutions, including how the South Australian Skills Commission 407 Government Support Training Visa Pilot Program can not only deliver lifechanging transformational training opportunities to people from marginalised communities in the Philippines and other Indo-Pacific and ASEAN member countries, but significantly assist to address critical workforce shortages in regional South Australia whilst delivering a significant economic benefit to South Australia, in addition to the creation of new employment and training opportunities do to the increased demand for goods and services and increased consumption expenditure. Global Adelaide is a nonpartisan, not for profit organisation focused on development, revitalisation and prosperity for all South Australians. We produce nationally recognised immigration research to shape immigration policy by generating new ideas, fostering public discussion and informing policy makers. These reports are included for your information. I have also included a report to the South Australian Government that I made in May 2010 which reports on challenges faced in South Australia at that time and a major report I was involved with where a number of South Australian stakeholders engaged the SA Centre for Economic Studies to compile a report on the challenges and opportunities faced in South Australia as a result of the operational structure and reforms to the Australian migration program at that time. These reports serve three main purposes, 1) to inform the Committee on alternate migration programs and the significant challenges facing South Australia (and no doubt other regional and low population growth jurisdictions) in terms of current and future workforce needs, 2) to demonstrate that current challenges are very similar to challenges experienced in South Australia for almost 20 years as a result of the Australian skilled migration program and the juxtaposition or paradox of international students and underutilisation and skills shortages, and 3) to demonstrate my involvement in understanding local, national and international migration programs, which includes looking at the global movement of skilled migrants in terms of the attractiveness, competitiveness and retention of skilled migrants and international migration programs.

Key to this submission are two major BDO reports

It is important that Committee members read these full reports and understand the evidence-based research contained in these reports.

- Report 1: Understanding the economic opportunity of demand driven migration for South Australia (November 2021)
- Report 2: Future Workforce Needs for South Australia: Research Phase One (July 2025)
Future Workforce Needs for South Australia: Benefits of Addressing Shortages Through Migration (December 2025)

Report 1, Understanding the economic opportunity of demand driven migration for South Australia (November 2021) was commissioned by Migration Solutions to identify a methodology to understand the business impacts in regional areas because of limitations that exist in the migration program. The report researches and quantifies the resulting labour shortages and creates a methodology to measure the lost opportunity cost to the economy and specified industries. It finds that although Australia's labour migration system is highly effective at achieving national goals, its singular application across the nation means that some states have found it more fit for purpose than others. There is a mismatch between the semi-and low skill needs of many regional businesses in South Australia and Australia's focus on bringing in high-skilled labour. When migration reform is considered, it's not based on regional demand driven migration but of that of larger cities. As the skills and wages of regional demand driven migrants are often less than the highly skilled, high income, higher lifetime tax contribution methodology that applies across the east coast of Australia, the approach that underpins the current skilled migration program benefits major metropolitan areas and not regions.

Filling persistent workforce shortfalls in occupation and regions that South Australians choose not to work in creates opportunities in areas they do choose to work in. For example, BDO Econsearch estimate that filling 100 horticulture vacancies in the South East of South Australia with demand driven migrants would generate approximately 162 fte jobs and \$20.2 million of gross state product in the South Australian economy through flow-on effects, including approximately \$4.9m in gross regional product and 41 fte jobs in Adelaide due to the inter-regional economic linkages to the South East.

Even as some South Australian businesses, particularly in regional areas, become more reliant on migration for addressing chronic skills shortages, the barriers to accessing lower skilled to medium skilled migrant labour have increased. The research found that many businesses struggled to access migrant labour to deal with these shortages because of; the complexity of the application process, the cost of accessing migrant labour, processing times, the absence of pathways to permanent residency, restricting migrant workers to only one role, restrictive occupation lists based on ANZSCO definitions and difficulty retaining migrants longer-term. This meant that many South Australian regional businesses simply cannot meet the workforce needs required to grow and thrive. While there is significant variation across businesses, sectors and regions, the aggregate effect of the workforce shortfall on the state is substantial and a long-run trend of declining access to labour was being exacerbated by short-run effects of COVID-19. South Australian regions that considered skills availability to be the number one issue facing their businesses included; Yorke Peninsula, Mid-North and Port Pirie, The Riverland, South East and Limestone Coast, Adelaide Hills, Murraylands, Mount Barker and Strathalbyn, the Eyre Peninsula, Whyalla, Port Augusta and Far North, Kangaroo Island and Barossa, Gawler and Light and Adelaide Plains. Only the Fleurieu Peninsula, McLaren Vale and Victor Harbor did not consider skills availability to be a top concern, with electricity costs the top

rated issue. Whyalla, Port Augusta and Far North also gave an equal rating of importance to COVID-19 restrictions as its top issue in addition to skills shortages.

BDO EconSearch undertook extensive background research and consulted with South Australian businesses, associations and regional organisations as part of the research. Consultation included industry associations, RDAs and key employers reporting workforce shortfalls. Their preliminary estimates of the economic opportunity of a demand driven migration program are based on the review, consultation findings and their multi-region model of the South Australian economy (RISE-MR). Economic impact is quantified in terms of employment, gross regional and state product (GRP and GSP) and household income. Results are reported by region and industry where possible with particular focus on the horticulture industry as a case study.

From interviews with horticulture businesses and associations in October 2021, BDO Econsearch estimate that horticulture businesses in South Australia have approximately 3,400 job vacancies and that approximately 850 (25 per cent) of these could appropriately be filled by demand driven migrants. In addition to the employment and production of the migrants themselves, their modelling estimated approximately 1,000 fte jobs and \$124.0 million of gross state product to be generated in the broader economy through flow-on effects. Just over half of the gross state product would consist of household income.

Most of the flow-on employment is expected to occur in the top 7 impacted sectors:

- Services to Agriculture Forestry and Fishing (113 fte jobs)
- Retail (101 fte jobs)
- Health (67 fte jobs)
- Wholesale (67 fte jobs)
- Administrative Support Services (67 fte jobs)
- Education and Training (62 fte jobs)
- Road Transport (61 fte jobs).

Flow-on employment effects are largely expected to occur in the South East where most of the migrants would reside but a significant amount of flow-on activity is expected in regions where fewer migrants would reside due to inter-regional economic linkages. For example, around 65 fte jobs are expected in Adelaide's Central and Hills region due directly to migration to the region, but an additional 237 fte jobs are expected due to the economic effects of migration across all regions and associated inter-regional linkages. A common theme from interviews in the horticulture sector was that the unmet workforce needs were causing underutilisation of assets such as glasshouses where planting has not occurred due to a lack of labour for harvest or produce being left unharvested. Further, opportunities for financed expansion of production are also not being realised due to a lack of labour to facilitate production.

South Australia has consistently had lower levels of permanent employer sponsored visas in comparison to high numbers of state / territory nominated independent (STNI) migrants. Numbers of employer sponsored visa grants in South Australia have been declining since 2012-13 and in 2019-20 these numbers dropped significantly. This balance of visas may be problematic for South Australia because the OECD (2018) has found that STNI migrants tend to have poorer labour market outcomes in comparison to employer sponsored migrants and they have higher interstate mobility. This is consistent with the findings of a survey of State-sponsored / nominated skilled migrants in South Australia under the General Skilled Migration programme during 2010-2014 which found that 58 per cent of respondents were dissatisfied with the employment opportunities available in South Australia and that 37 per cent intended to migrate or had already migrated out of South Australia

(Tan et. al. 2019). Of those respondents intending to move, 82 per cent attributed this to a lack of employment opportunities, or better career opportunities being available elsewhere (Tan et. al. 2018).

While the challenges of COVID-19 are very different to those of the GFC, both involved large scale disruption to business in South Australia and across the country. The Rudd Government found that demand driven migration would play a useful role in recovery from the GFC. This report explains how it can also play a helpful role in Australia's economic recovery from COVID-19. Demand driven migration was identified in a Rudd Government migration review as a means to ensure migrants are employed in industries that have the highest need. This contrasts with independent skilled migrants who have high human capital but no employment arranged in Australia prior to their arrival. The review took place following the global financial crisis in 2008-09 (Commonwealth of Australia 2010).

Report 2, Future Workforce Needs for South Australia: Research Phase One (July 2025) was commissioned by Global Adelaide and found "Labour and skills shortages are a significant, protracted and ongoing issue for South Australian businesses, particularly in regional South Australia (SA). Although there is generally a preference amongst business owners to use local labour to address such shortages, it can be difficult to attract local applicants. In previous research, BDO Economics (2021) found that some shortages resulted from insufficient numbers of locals choosing to train in a particular area, while others were a result of the undesirability of the positions. In addition, local people also out-migrate to study and have better employment opportunities (Economic and Finance Committee 2019). This means that, in some industries, regional employers faced with labour shortages are increasingly dependent on migrant workers to fill gaps in their operations. Opportunities for growth and expansion are hampered by the lack of a readily available workforce.

The scale of the labour shortages in regional SA is also likely to be much larger than currently accounted for as employers often advertise fewer jobs than they have available, so they are not fully captured by the current metrics such as the Internet Vacancy Index (BDO Economics 2021).

The recent migration policy discourse emphasises attracting high-skilled migrants to maximise Australia's long-term economic benefit (Coates et al. 2021), which can conflict with numerous regional businesses' medium—and low-skill requirements. This also disadvantages SA due to lower average wages compared to the rest of the nation. The latest census data shows that the median income in SA is \$734 per week compared to the national figure of \$805 (SAPC 2024). In addition, more recently, state-sponsored visas that offer higher interstate mobility seem to counter the objectives of employer-sponsored visas intended for demand-driven migration to fill specific requirements of businesses in SA and its regions, with a noticeable drop in intake through the later pathway.

South Australia's aging population and low fertility rates below the national average are expected to impact workforce availability and consumer demand, particularly in the health and aging services sector (Wilson 2023, SACES 2023). While CEDA estimated a nationwide annual shortage of direct care aged care workers of at least 110,000 by 2030 (CEDA 2023), South Australia will experience its fair share of shortages. The labour and skills shortages in SA will become more pronounced with an ageing population and lower employment-to-population ratio as more baby boomers reach retirement age.

Several industries, such as defence, renewable energy, and infrastructure, are projected to grow in SA over the coming years due to new projects in the pipeline. Similar projects are expected to occur nationally and internationally. This means that the growing demand for

labour in SA will coincide with increased competition in national and international labour markets. Migrants will likely need to play a crucial part in addressing the increase in labour demand.

All of these imply that SA and its regions will face labour and skills shortages not only currently but also in the future due to the ageing population, net interstate migration and a likely decline in net overseas migration, and changes to SA labour force participation rates in the major workforce age groups such as those who are 65 years and older (SACES 2024), scheduled pipeline of projects, and misalignment of national migration policies with regional requirements.”

Report 2, Future Workforce Needs for South Australia: Benefits of Addressing Shortages Through Migration (December 2025), was commissioned by Global Adelaide with its key findings being stating “South Australia’s economy has an estimated workforce gap of around 23,000 workers in 2025, which is expected to grow to 43,500 by 2035 if the current trajectory continues. This is the gap between the available workforce and what businesses have told us they need to meet demand.

Under a conservative scenario, if only those occupations that are listed under the 407 training visa and DAMA programs, were filled with additional migrants, the economic dividend could be up to \$4.2 billion in annual Gross State Product currently, increasing to \$5.3 billion by 2035. An increase in real wage and real consumption for the average South Australian is expected to result, if migration is matched by investment.

Filling this gap with migrants in a way that achieves these outcomes requires both policy change to enable matching of appropriately skilled migrants to vacancies and additional business investment of up to \$2.3 billion by 2035.”

This report found “South Australia and Australia are facing significant workforce shortages, prompting efforts across various sectors and regions to identify effective responses. Migration offers a vital source of labour, yet current national migration policy settings disproportionately disadvantage less populated states like South Australia by neglecting to consider their unique economic and workforce conditions.

This report, commissioned by Global Adelaide, models the economic impact of addressing South Australia’s workforce shortages through a different approach to migration. Alternatively, it estimates the costs, or unrealised benefits, of not addressing workforce shortages with a migrant workforce.

The costs estimated in this report are separate from the substantial costs incurred through the underutilisation of skilled migrants, so they add to the understanding of the costs of inefficient migration policy settings. Nationally, underutilisation is estimated to cost Australia \$9 billion annually in lost economic activity, with nearly 44 per cent of permanent migrants working below their skill level (Deloitte Access Economics, 2024a). South Australia has the highest rate of migrant qualification underutilisation among larger states¹, with potential gains of \$2.2 billion in GSP and over 7,000 full-time jobs if addressed (Deloitte Access Economics, 2024b).

Underutilisation not only affects economic productivity but is also linked to poorer mental health outcomes and systemic barriers such as a lack of local experience, skill recognition issues, and labour market discrimination. Addressing these issues, as well as overcoming the challenges of addressing workforce shortages with a migrant workforce, requires targeted

initiatives. On top of the inclusion of training visas, internships, and mentoring programs, to ensure migrants can contribute fully to the South Australian economy, which in turn enriches the South Australian economy.

Of most significance, this report modelled how the SA Skills Commissions 407 Pilot Program could significantly benefit South Australia. This report and modelling contains 3 scenarios, two of which specifically look at the 407 Pilot Program. The most interesting of these two scenarios is the scenario where SA DAMA (Designated Area Migration Agreement) occupations are available/accessible within the Pilot. This is something that has interest within key industry sectors around food and food production, manufacturing, health, motor trades and construction connected to housing, plus major South Australian infrastructure projects such as the new Women's and Children's hospital and the River Torrens to Darlington (T2D) Project.

This scenario found that:

- Of the 43,500 job vacancies anticipated to exist in 2035, 28,471 critical workforce shortages across Adelaide and South Australian regions could be filled by 407 training visa holders/training participants,
- These 28,471 training participants will potentially create an additional 21,471 new FTE jobs (through increased demand for goods and services, and increased consumption expenditure).
- 407 training visa holders participating in a 407 training program would generate:
 - \$4.2 billion a year to the SA economy (increased GSP) by 2027,
 - \$4.8 billion a year by 2030, and,
 - \$5.3 billion a year by 2035.
- An increase in social welfare benefits (increase in real wages) is also achieved (having a positive impact on wage stagnation in South Australia).
- Additionally, this would facilitate \$2.3 billion in new investment from government, business and industry (to make use of the new workers in the SA economy).

It should be noted that the conservative estimate of job vacancies in the BDO report includes current migration outcomes (482, 186, 491/189 and 190), thus showing that beneficial reform is needed as it is not possible to address critical workforce shortages in SA due to the demographics and age profile of the SA population and workforce, current and long term migration trends and outcomes, plus net interstate migration loss including a hollowing out of our 18-35 age demographic.

Information contained in the BDO research Phase One and in the Final Report states:

Future Workforce Needs for South Australia: Research Phase One (July 2025)

Labour and skills shortages are a significant, protracted and ongoing issue for South Australian businesses, particularly in regional South Australia (SA). Although there is generally a preference amongst business owners to use local labour to address such shortages, it can be difficult to attract local applicants. In previous research, BDO Economics (2021) found that some shortages resulted from insufficient numbers of locals choosing to train in a particular area, while others were a result of the undesirability of the positions. In addition, local people also out-migrate to study and have better employment opportunities (Economic and Finance Committee 2019). This means that, in some industries, regional employers faced with labour shortages are increasingly dependent on migrant workers to fill gaps in their operations. Opportunities for growth and expansion are hampered by the lack of a readily available workforce.

The scale of the labour shortages in regional SA is also likely to be much larger than currently accounted for as employers often advertise fewer jobs than they have available, so they are not fully captured by the current metrics such as the Internet Vacancy Index (BDO Economics 2021).

The recent migration policy discourse emphasises attracting high-skilled migrants to maximise Australia's long-term economic benefit (Coates et al. 2021), which can conflict with numerous regional businesses' medium—and low-skill requirements. This also disadvantages SA due to lower average wages compared to the rest of the nation. The latest census data shows that the median income in SA is \$734 per week compared to the national figure of \$805 (SAPC 2024). In addition, more recently, state-sponsored visas that offer higher interstate mobility seem to counter the objectives of employer-sponsored visas intended for demand-driven migration to fill specific requirements of businesses in SA and its regions, with a noticeable drop in intake through the later pathway.

South Australia's aging population and low fertility rates below the national average are expected to impact workforce availability and consumer demand, particularly in the health and aging services sector (Wilson 2023, SACES 2023). While CEDA estimated a nationwide annual shortage of direct care aged care workers of at least 110,000 by 2030 (CEDA 2023), South Australia will experience its fair share of shortages. The labour and skills shortages in SA will become more pronounced with an ageing population and lower employment-to-population ratio as more baby boomers reach retirement age.

Several industries, such as defence, renewable energy, and infrastructure, are projected to grow in SA over the coming years due to new projects in the pipeline. Similar projects are expected to occur nationally and internationally. This means that the growing demand for labour in SA will coincide with increased competition in national and international labour markets. Migrants will likely need to play a crucial part in addressing the increase in labour demand.

All of these imply that SA and its regions will face labour and skills shortages not only currently but also in the future due to the ageing population, net interstate migration and a likely decline in net overseas migration, and changes to SA labour force participation rates in the major workforce age groups such as those who are 65 years and older (SACES 2024), scheduled pipeline of projects, and misalignment of national migration policies with regional requirements.

South Australian Stakeholders/Industry bodies included in the research and report include:

- RDA Murraylands and Riverland
- SA Forest Products Association
- Housing Industry Association
- South Australian Business Chamber
- Tourism Industry Council of South Australia
- Resources and Engineering Skills Alliance
- Petroleum Industry SA/NT
- SA Freight Council
- Civil Contractors Federation SA
- RDA Yorke and Mid North
- Defence Teaming Centre

- Property Council SA
- RDA Barossa Gawler Light Adelaide Plains
- Motor Trade Association SA
- RDA Eyre Peninsula
- RDA Metro Adelaide
- Aged Care Industry Association
- Australian Pork Limited
- Food SA
- Master Builders Australia
- SA Council for Restaurant Catering
- Primary Producers SA - PPSA
- RDA Adelaide Hills, Fleurieu and Kangaroo Island
- District Council of Cleve
- Urban Development Institute of Australia SA
- Primary Industries Skills Council
- SA Sardine Industry Association
- National Disability Services
- SA Skills Commissioner
- Association of Mining and Exploration Companies
- LGA SA /LG Professionals SA
- Department of State Development
- Migration Solutions
- AusVeg
- Committee for Adelaide
- Australian Hotels Association (SA)
- Australian Meat Industry Association

Future Workforce Needs for South Australia: Benefits of Addressing Shortages Through Migration (December 2025),

South Australia and Australia are facing significant workforce shortages, prompting efforts across various sectors and regions to identify effective responses. Migration offers a vital source of labour, yet current national migration policy settings disproportionately disadvantage less populated states like South Australia by neglecting to consider their unique economic and workforce conditions.

This report, commissioned by Global Adelaide, models the economic impact of addressing South Australia's workforce shortages through a different approach to migration. Alternatively, it estimates the costs, or unrealised benefits, of not addressing workforce shortages with a migrant workforce.

The costs estimated in this report are separate from the substantial costs incurred through the underutilisation of skilled migrants, so they add to the understanding of the costs of inefficient migration policy settings. Nationally, underutilisation is estimated to cost Australia \$9 billion annually in lost economic activity, with nearly 44 per cent of permanent migrants working below their skill level (Deloitte Access Economics, 2024a). South Australia has the highest rate of migrant qualification underutilisation among larger states¹, with potential gains of \$2.2 billion in GSP and over 7,000 full-time jobs if addressed (Deloitte Access Economics, 2024b).

Underutilisation not only affects economic productivity but is also linked to poorer mental health outcomes and systemic barriers such as a lack of local experience, skill recognition issues, and labour market discrimination. Addressing these issues, as well as overcoming the challenges of addressing workforce shortages with a migrant workforce, requires targeted initiatives. On top of the inclusion of training visas, internships, and mentoring programs, to ensure migrants can contribute fully to the South Australian economy, which in turn enriches the South Australian economy.

Matters relevant to the Inquiry's Terms of Reference (beyond the summary)

a) The ongoing economic, social and cultural value of skilled migration to Australia;

The economic methodology that is currently used to measure the economic value of skilled migration to Australia has resulted in underutilisation. [The lifetime fiscal impact of the Australian permanent migration program](#) paper (Peter Varela, Nicholas Husek, Thom Williams, Richard Maher and Darren Kennedy, 7 December 2021) states:

The Fiscal Impact of New Australians model (FIONA) has been developed by The Treasury to estimate the fiscal impact of permanent migrants over their remaining lifetimes in Australia. This estimate captures tax revenues and government expenses incurred by Commonwealth, State and Territory Governments that are directly attributable to migrants.

It is recommended that the distributional impact of migration be taken into consideration when assessing the value of skilled migration in Australia. The distributional impact and benefit of migration is a shorter term assessment and understanding of the impact of migration rather than a lifetime fiscal contribution methodology of calculating migrations benefit to Australia. It should be noted that all skilled migration programs have a positive fiscal benefit to Australia, although some strongly advocate for less regional skilled migration due to lower salaries in regional and low population Australia which therefore reduces the fiscal impact of higher paid jobs in major cities, such as Melbourne, Sydney, Brisbane and Perth.

Whilst the FIONA methodology is important as is the long term fiscal benefit of skilled migration, focussing on improving long term fiscal return or generation of tax revenue to the Federal Government, at the cost of or detriment to lower paid jobs that are currently in demand in critical workforce areas such as construction, infrastructure, healthcare, automotive and aged, and disability care particularly in regional and low population growth jurisdictions is having a detrimental impact to business and industry and to addressing critical current and future workforce needs.

A better understanding of the distributional methodology and the potential opportunities and benefits that can be achieved via this approach as it relates to Australia's skilled migration program (and the 407 pilot program) as set out in BDO's reports for Global Adelaide is an important consideration for reforming and improving Australia's skilled migration program, plus addressing critical workforce needs, in addition to the impact of migration at a regional or subregional level, noting that the distributional methodology does also provide a net economic fiscal benefit to Australia.

Understanding the distributional benefit of migration will increase the social licence and provide evidence of the economic, social and cultural benefits that can be achieved through a more nuanced and target skilled migration program.

An important consideration regarding skilled migrants nominated by a state or territory Government, or others who obtain an independent skilled migration visa, but do not work in their nominated occupation (by choice or as a result of the current selection and eligibility criteria) do not fill a skilled vacancy but do need to be accommodated. Therefore, if the skilled migration program continues to underperform (as evidenced by various reports on underutilisation), Australia and our States and Territories are not addressing their current or future workforce needs, thus requiring increased levels of skilled migration which has an unnecessary impact on housing demand, availability and cost. With the current housing crisis and lack of housing availability to meet current or existing demand, if we fill houses with underutilised migrants who are not meeting our skills needs, where do we then house those new migrants, we additionally need to bring to Australia to fill existing job vacancies, created by those who are now underutilised. This is another example of why we need to get our skilled migration program settings better aligned to business and industry demands.

For example, in South Australia, Flinders University found that of those who participated in their research, close to 50% of skilled migrants do not work in their nominated occupation, meaning that if the SA Government wanted to fill 23,000 current vacancies through its state nomination program, they would need to nominate approximately 46,000 skilled migrants (primary skilled migrants). This increases the need to accommodate and house 46,000 skilled migrants rather than 23,000 if the SA state nomination skilled migration program operated at 100% efficiency. Deloitte's report for the South Australian Government on underutilisation found that currently there are approximately 39,000 underutilised migrants in South Australia. Please keep in mind that BDO found that there are conservatively around 23,000 vacancies that cannot be filled in South Australia, indicating that if the South Australian state nominated skilled migration program operated more efficiently, many, potentially all of the 23,000 vacancies reported could be filled. Based on these findings, it is reasonable to conclude that if the South Australian and Federal migration settings were changed to ensure that a higher level of utilisation was achieved, there would be no skill shortages in South Australia and reduced demand for housing and accommodation.

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;

It is evident that the FIONA methodology of selecting skilled migrants compounded by the current eligibility criteria, including skills assessments and state/territory nomination eligibility criteria is not effective in terms of meeting the current and future needs of Australia's states and territories.

This is evident when looking at current and future workforce needs and skills shortages which include skilled migration outcomes and in the case of South Australia, will increase by almost 90% over the next decade.

This is also evident when looking at national and local underutilisation rates of skilled migrants, with South Australia having the worst underutilisation rates in the country. Underutilisation is a direct result of the current selection and eligibility criteria that govern the skilled migration program and state/territory nomination criteria, and the skills assessment process which is an essential element of the skilled migration program.

This became even more evident immediately post Covid when Australia had successive years of Net Overseas Migration exceeding 500,000 people, yet whilst still experiencing critical workforce shortages.

Despite this, the extremely positive news is that it is very simple and easy to redesign Australia's skilled migration program whilst almost entirely eliminating underutilisation and lead the world in terms of beneficial immigration reform to address skills and workforce shortages and the underutilisation of skilled migrants, thus increasing the effectiveness and outcomes of Australia's skilled migration program. This includes looking at and understanding the various pathways to a skilled migration visa and assessing their effectiveness, specifically the international student visa program, including the skilled migration and utilisation outcomes of international graduates in the Vocational Education and Training and Higher Education sectors, rather than the revenue the international student visa program generates to Australia. Yes, student visas and the international education sector generate a lot of economic activity to the Australian economy, however, how does this compare to the economic benefits of other programs and pilot programs such as the SA Skills Commissions 407 pilot visa program.

The BDO reports for Global Adelaide provide examples of this as does the BDO Econsearch report for Migration Solutions (these reports are attached). By looking at the distributional impact and benefits of migration it is easy to understand the correlation between skills shortages, migration outcomes and the increased demand for goods and services, including the new employment and training opportunities created when new migrants arrive, live and work in Australia, or in a particular regional or geographical area. If Australia was to adopt and incorporate this methodology to its skilled migration program, it would be clearly evident who or what skilled migration is required and the corresponding impact on demand, including housing and other enabling infrastructure, including the type and location (including the salary) of new employment and training opportunities created. Simplified sophistication.

c) The scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities;

Australia's current skilled migration program has essentially not changed over the past 3 decades and requires reforms to improve the key intention of the skilled migration program, that being to address current and future workforce needs, as opposed to maximising the highest long term fiscal benefit. Introducing an Occupational Recognition Assessment to assess a potential skilled migrants' competency and proficiency, plus numeracy and literacy to meet current Australian standards is urgently required. Not testing competency and proficiency, or numeracy and literacy is a significant flaw in the current operational structure and assessment and eligibility criteria required by the Australian Federal and state and territory governments, something that is directly responsible for underutilisation of skilled migrants. Underutilisation is also a result of an opportunity and ability for some education providers, international students, education agents and migration providers to access the migration program to provide an outcome for the individual that is not in the best interest or spirit of the Australian migration program. The best results in terms of a migration outcome is achieved where there is a shared benefit in the migration outcome.

For example, the BDO report for Global Adelaide indicates that where skilled migrants are employed in their nominated occupation and where there is an appropriate level of investment by business, government and industry allowing the skilled migrant to work at the appropriate skilled level, there is a net economic benefit achieved (including an increase in wages for local

residents, thus having a positive impact on the cost of living). However, if skilled migrants do not work at their skilled level and there is not the required level of investment by business, government and industry, this will ultimately result in wage stagnation, thus having a negative impact on wage growth and a negative impact on the cost of living, plus a detrimental impact on the demand for housing, as more migrants need to be nominated by state and territory governments to address critical workforce shortages, whilst finding accommodation and housing for those who previously obtained a skilled migration visa but are not working in their nominated occupation or at an appropriate skilled level.

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

There is significant scope and opportunities for the Australian skilled migration program to more effectively support Australian businesses and boost productivity, such as changes to training for international students, changes to skill assessment processes and eligibility, the introduction occupational recognition assessments, better testing of literacy and the introduction of numeracy tests and standards, better use of the training visa program and pathways for temporary migrants to become permanent skilled migrants.

To understand the scope and benefit of reforms, it is important to understand in greater details the current inefficiencies that exist within the operational framework for the Australian skilled migration program, including pathways to a permanent skilled migration visa and post visa grant outcomes and statistics. For example, how many international students who studied as certificate III in Automotive, that completed a Job Ready Program skills assessment and have successfully received a skilled migration visa (subclass 491, 189 or 190) are currently working in their nominated occupation, compared to how many local Australian residents who have completed an Australian apprenticeship or traineeship that are currently working in their field or a closely related field.

Migration outcomes achieved including underutilisation are a direct result of the current rules, regulations, legislation and policy settings at both a Federal and state/territory level. Moving away from a fiscal methodology to a demand driven model that is underpinned by a distributional methodology is required for the Australian skilled migration program (including state and territory nominated visa programs) to more effectively support Australian businesses, including boosting productivity and encouraging innovation. If the Australian permanent skilled migration program worked more effectively and there was less underutilisation there would be a corresponding decrease in the need for demand driven temporary employer sponsored visas, such as the subclass 482 visa (formerly the 457 visa program).

The skilled migration program includes both points tested supply driven and employer nominated demand driven visas. Demand driven programs have far greater utilisation rates, however, the Temporary Skilled Migration Income Threshold (TSMIT) and Core Skills Income Threshold (CSIT) do cause challenges to employers and business, particularly those in regional and low population growth jurisdictions. Factoring in a CPI increase to the TSMIT/CSIT, it is likely that this will increase to over \$80,000 on 1 July 2026.

The TSMIT and CSIT also have an impact on demand driven employer sponsored migration visas, but do not apply to general skilled migration supply driven migration programs. For example, a mechanic that obtains a skilled points tested visa can be employed by a local business and paid the appropriate salary as determined by the higher of the local market rate or as set out in the relevant award, however, an employer that is unable to meet is current

workforce needs due to genuine skills shortages (and due to underutilisation of state nominated skilled migrants), and who seeks to employ a skilled migrant through an employer sponsored program must meet the Temporary Skilled Migration Income Thresholds (TSMIT) or Core Skills Income Threshold (CSIT). It does seem peculiar that a points tested skilled migrant that holds a 491, 189 or 190 visa can be employed at the relevant market rate, however, demand driven skilled migrants must meet a minimum salary requirement.

The Temporary Skilled Migration Income Threshold (TSMIT) is used for the Skilled Employer Sponsored Regional (Provisional) visa (subclass 494), while the Skills in Demand visa (SID) (subclass 482) applications in the Core Skills stream and the Employer Nomination Scheme (ENS) (subclass 186) nominations must meet the Core Skills Income Threshold (CSIT).

The high cost of the Core Skills Income Threshold (CSIT) or Annual Market Salary Rate (AMSR) is a barrier to many businesses where the AMSR is lower than the CSIT. The CSIT is currently set at \$76,515 (from July 1, 2025) and is likely to increase to approximately \$80,000 in July 2026. Whilst the TSMIT or CSIT does not negatively impact all businesses, especially in areas that experience high wages, it does have a negative impact to businesses in areas or jurisdiction where wages are typically lower, such as the entire state of South Australia compared to the national average, as evidenced in both state and federal government reports.

e) Strategies to enhance public awareness and understanding of the role of skilled migration in Australia; and Approaches taken in other countries with similar migration objectives.

Having a good understanding of migration in other countries with similar migration objectives, whilst being cognisant of brain waste or underutilisation, and public concerns held in corresponding countries, including housing availability and the impact of high levels of migration on infrastructure for example is important. However, I contend that it is not necessary to look to others to look for strategies to enhance public awareness and the understanding and role, impact and benefits of skilled migration to Australia and Australians. Evidence of a different approach, including one which maximises outcomes, including improving the use of the skilled migration program and improves underutilisation has been examined in Global Adelaide's research conducted by BDO and BDO Econsearch research for Migration Solutions previously. This is not bound to skilled migration programs alone, but extends to the 407 training visa program, international students and other temporary visa programs that have various pathways to permanent residency.

Enhancing the public awareness and understanding of the role of skilled migration in Australia requires changing the narrative and language about migration, showing and quantifying the need and the opportunity, and the benefits of using different parts of the program to address genuine workforce shortages, and the positive impact for local residents in doing so, and improving the integrity of the program. This is critical to improve and really move the needle in terms of the social licence for Australian skilled migration. We need to move away from migration opportunities and programs that do not maximise and deliver or optimise the economic, social and cultural benefits that can be achieved through the contemporary design and operation of a nuanced and demand driven focused migration program, rather than a focus on supply side, high income jobs and a program that is not designed to address current and future workforce needs. Personally, I do not understand why we are selecting so many highly skilled migrants when in South Australia we need carpenters, bricklayers, and mechanics, nurses and teachers. We do not need highly skilled migrants who earn between \$200,000 to \$300,000. I also don't understand why the South Australian government would nominate skilled migrants who do not have the competency or proficiency or numeracy and literacy required to meet the demands of local business and industry. Further

nominating skilled migrants for a state nominated visa in South Australia who do not have a relevant qualification, preventing them from working at an appropriately skilled level seems absurd.

Australia could benefit so greatly from the design of a skilled migration program that is fundamentally designed to deliver shared benefits. Shared benefits, namely where a skilled migrant gets a visa and Australia in return gets a skilled migrant willing and capable of working in their nominated occupation is a far better outcome, than a program which supports and favours the sole interest of some international students, education agents, education providers and migration agents or immigration lawyers exploiting loopholes to secure a permanent skilled migration visa, especially where these actions are not in the spirit of the migration program, in terms of supporting and addressing critical workforce needs. We also need to improve the quality of offshore skilled migrant applicants, this is not only a problem faced with onshore skilled migration applicants and visa holders.

f) Approaches taken in other countries with similar migration objectives.

I have read numerous reports, studies, publications and articles about migration and researched and compared various elements of skilled migration programs to Australia's. Both demand and supply driven migration outcomes could be improved, however, most countries grapple with underutilisation or brain waste, especially with regards to supply based migration programs. One of the best reports I have read on the difference between demand and supply driven migration programs is by Demetrios G. Papademetriou and Kate Hooper from the Migration Policy Institute's 2019 report "[Competing Approaches to Selecting Economic Immigrants: Points-Based vs. Demand-Driven Systems](#)". This reports on these migration programs and approaches in countries with similar migration objectives.

To get a better understanding of approaches in other countries, we need to understand who these other are that are directly competing with Australia to address their workforce needs. Looking globally, there are two relevant bodies of research that provides data on the global movement of skilled migrants in terms of the attractiveness, competitiveness and retention of skilled migrants and international migration programs, and skills matching. These are the [IMD World Competitiveness Ranking](#) and the [INSEAD Global Talent Competitiveness Index](#).

Amongst other things, the INSEAD Global Talent Competitiveness Index ranks Skills Matching (which is referred to in Australia as utilisation or underutilisation of migrants and skilled migrants). INSEAD state that:

Skills matching refers to the percentage of the workforce whose education matches their occupation. The data relate to the so called normative approach to measure 'educational mismatch', whereby a worker's educational match/mismatch is defined based on the correspondence of a worker's education with that person's occupation. The correspondence table used to determine the standard level of education required in each occupation has been derived from the International Standard Classification of Education 2011 (ISCED 2011) and the International Standard Classification of Occupations (ISCO). Workers who do not have the identified standard level of education are regarded as mismatched. Source: International Labour Organization, ILOSTAT (<https://ilostat.ilo.org/>). Data Year: 2014–2024

INSEAD's 2025 Global Talent Competitive Index lists Australia at number 10, however, number 41 in the world for skills matching.

INSEAD's top 20 countries in its 2025 Global Talent Competitive Index are:

1. Singapore
2. Switzerland
3. Denmark
4. Finland
5. Sweden
6. Netherlands
7. Norway
8. Luxembourg
9. United States of America
- 10. Australia**
11. Ireland
12. United Kingdom
13. Iceland
14. Canada
15. Belgium
16. Australia
17. Germany
18. New Zealand
19. France
20. Czech Republic

IMD's 2025 World Competitiveness Ranking lists Australia as number 18 in the world (based on 69 countries included in the report).

IMD's top 20 countries are:

1. Switzerland
2. Singapore
3. Hong Kong SAR
4. Denmark
5. UAE
6. Taiwan (Chinese Taipei)
7. Ireland
8. Sweden
9. Qatar
10. Netherlands
11. Canada
12. Norway
13. United States of America
14. Finland
15. Iceland
16. China
17. Saudi Arabia
- 18. Australia**
19. Germany
20. Luxembourg

In terms of Business Efficiency, Productivity & Efficiency IMD lists Australia at 49, whilst our labour market listed at 38.

Improvements to Australia's skilled migration program will not only lift our international rankings, but it will also address structural workforce, demographic and population challenges being experienced in Australia and South Australia (and other regional and low population growth jurisdictions).

Improvements to Australia's skilled migration programs and outcomes are required to restore public and government confidence in the program to address critical workforce needs and to ensure that skills matching or underutilisation is addressed. This will also limit the negative impact that Australia's skilled migration program and underutilisation has on housing availability and affordability, including challenges and pressure added due to some international students. This is very evident when we look at the current public sentiment around migration levels to Australia being considered too high by some. In South Australia, Deloitte have reported that there are some 39,000 underutilised migrants in South Australia, whilst BDO reported that there are currently 23,000 skilled vacancies that cannot be filled. Therefore, it is reasonable to assume that if the national skilled migration program was operating at an optimum level and the South Australian state nomination program had implemented a more nuanced and sophisticated approach to its state nomination eligibility criteria (quality rather than quantity), potentially there would be no skills shortages in South Australia and significantly lower rates of underutilisation.

Other Considerations for the Committee relevant to this Inquiry.

How did we get here, and where to from here.

The [Continuous Survey of Australia's Migrants \(CSAM\)](#) is used to collect migrant data. This report is not a very comprehensive way to capture all relevant and necessary skilled migration data, an alternate methodology would be to capture skilled migrants tax file numbers allowing the collection of important post visa grant data for skilled migration outcomes. This data would then report on the benefits and outcomes of migration outcomes and provide important and valuable data and information on areas of the skilled migration program that requires reforms to deliver improved outcomes. This would also provide various other benefits for Home Affairs in terms of reporting, maintaining and upholding the integrity of the Australian migration program and protecting vulnerable visa holders from exploitation and modern-day slavery. For example, how many people nominated by the South Australian Government for a 491 or a 190 state nominated regional visa over the past 10 years are currently living in South Australia and working in their nominated occupation, and what is the income of state nominated migrants. The only data the Federal or the South Australian government appears to collect or refer to regarding skilled migration outcomes is the Continuous Survey of Australia's Migrants (CSAM), however, despite the [CSAM Cohort 8](#) report showing that State/Territory Nominated migrants had mixed employment outcomes compared to other categories of skilled migrants, there appears to be no published data per occupation, or per location of skilled migrants, specifically per nominating state/territory government, however, the Continuous Survey of Australia's Migrants Methodology Paper 2013 to 2025 states that state and territory governments do provide contact information for eligible samples (skilled migrants).

CSAM Cohort 8 does state that State/Territory Nominated migrants' employment to population ratio is below the average for all skilled Migrant categories, their unemployment rate is above the average for all Skilled Migrant categories and the highly skilled employment to population

ratio is below the average for all Skilled Migrant categories. The two most successful skilled migrant programs are Employer Sponsored (Subclass 186 visas) where the employment to population ratio is 5.3 points above the average for all Skilled Migrant categories, labour force participation is 1.2 points above the average for all Skilled Migrant categories, the unemployment rate is 4.3 points below the average for all Skilled Migrant categories and highly skilled employment to population ratio is 9 points above the average for all Skilled Migrant categories, and the Onshore Independent program (Subclass 189 visas) where employment to population ratio is 2 points above the average for all Skilled Migrants, labour force participation is 1 point above the average for all Skilled Migrant categories, the unemployment rate is 1.2 points below the average for all skilled migrants and highly skilled employment to population is 4.1 points above the average for all skilled migrants.

To trail the opportunity of collecting better skilled migration data, it is recommended that the South Australian Government provide the names of all state nominated skilled migrants over the past 10 years to the Australian Tax Office (ATO). The ATO could then compile taxation information which would include details on the location or state/territory of residence over the relevant periods, the employment status, the job or industry sector the skilled migrant is employed in and the salary of the skilled migrant. This information could be provided to the Australian Bureau of Statistics who could then compile reports removing all personal identifiers, so that no personal information is included in the final report that would link any state nominated skilled migrant to the final report and/or information contained in the report. Such a report would clearly demonstrate the short, medium and long term outcomes of South Australia's state nominated migration program.

This research could be linked to both the May 2024, Deloitte Access Economics, Department of Premier and Cabinet, [Maximising the value of the South Australian migrant community](#), and Flinders Universities reports "[Migrants Skills Mismatch](#)" and "[Australia's State Specific and Regional Migration Schemes: exploring permanent and temporary skilled migration outcomes in South Australia](#)" with new approaches to State Nomination considered and trialled to deliver improved outcomes. One such consideration would be for all potential South Australian state nominated skilled migrants seeking to apply in a trade occupation, being required to complete an Occupational Recognition Assessment (ORS) with the South Australian Skills Commission to ensure that any potential skilled trade migrant has the competency and proficiency, plus numeracy and literacy to work at the skilled level in South Australia. This is something that is not currently tested as part of the South Australian state nomination process and is likely to be one of the reasons why South Australian state nominated skilled migrants and South Australia has the highest skilled migration underutilisation in Australia.

The reason this is an important consideration is that in South Australia, [the 2024/25 Migration Program report](#) (Department of Home Affairs) shows that South Australia received 9,469 Regional and State/Territory Nominated visas, but only 2,000 employer sponsored and 1,003 skilled independent visa (which include primary and secondary visa holders, i.e. this is not the total number of primary skilled migrants).

The national 2024/25 migration program report shows that there were 28,069 places in the Regional category, 33,000 places in the State Territory nominated program, 44,000 places in the employer sponsored category and 16,900 in the in the skilled independent category.

Of the highest performing skilled migration programs, namely the employer sponsored category and the skilled independent category, South Australia recorded 4.5% of all visa outcomes and 5.9% of all skilled independent visa. The most recent ABS Population Data ([National, state and](#)

[territory population, June 2025](#)) shows that South Australia is 6.88% of that national population, showing that South Australia receives lower program number outcomes than our proportionate share based on South Australia's population size.

We know that reports compiled by National Centre for Vocational Education Research (NCVER), [International onshore VET qualification completer outcomes 2023](#), show that there are very low rates of international students who complete a VET program will work in that trade, and we know through Deloitte's report for the South Australian Government that South Australia has the highest skilled migrant underutilisation and a report from Flinders University that shows that almost 1 in 2 skilled state nominated migrant will not work in their nominated occupation in South Australia and as such, more granular data is required to optimise and design state nomination programs that deliver the best outcomes for all involved. It would also be very important and interesting to look at international VET enrolments in South Australia to see and understand whether there is any correlation between pathways to a permanent state nominated skilled migration visa and VET enrolments. For example, was there a corresponding reduction in VET enrolments for international students when the South Australian government changed its position on nominating trade workers, such as Mechanics in 2025. If there was a drop in international enrolments between semester 1, 2025 and semester 1, 2026, it may indicate that some international students are primarily using the state/territory nominated migration program and the international student visa program to qualify for a skilled migration visa. On a separate but similar matter, this raises the issue of international student visa holders "course hopping".

There are more significant concerns with the international student visa program in the VET sector in South Australia as many international education providers have been providing courses and qualifications to international students that do not comply with the South Australian training legislation. In effect, the Department of Home Affairs have been granting student visas to international students to study prohibited courses and the Australian Skills Quality Authority (ASQA) have been approving providers and courses to be provided to international students, with various prohibited courses appearing on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) website. In addition to this, the South Australian Government have been nominating skilled migrants through the state nomination program who have completed a non-compliant qualification in South Australia, and the Department of Home Affairs granting provisional and permanent skilled state nominated visas on the basis of an international student having completed a prohibited, non-compliant qualification.

Whilst the South Australian training act does prohibit institutional training for trade occupations, this does provide an opportunity for a traineeship or apprenticeship pilot to be trialled in South Australia. I note that such a pilot was recommended by Jobs and Skills Australia (JSA) in their 31 May 2024, report "[Apprenticeships: a missing pathway for international students?](#)" This report states "*The Australian Government's Migration Strategy, released in December 2023, made a number of recommendations on how our migrant workforce can be supported to use their skills and experience to respond to Australia's productivity needs. One undertaking was to conduct an examination of what barriers prevent international students – those on a subclass 500 visa - from completing an apprenticeship or a traineeship.*" Of note, there is nothing contained in that report that appears to preclude an international student from completing a traineeship or apprenticeship, however, it would require international education providers to have such a program approved by ASQA for the purpose of that approved program being added to or listed on the CRICOS website. I do note the JSA report incorrectly refer to student visa work limitations as a reason why a subclass 500

student visa cannot be used for such a program. Student visas have a mandatory schedule 8 visa condition applied, visa condition 8105. This states that visa holders cannot work more than 48 hours a fortnight when your course of study or training is in session, however, visa holders can work over 48 hours a fortnight if they hold a student visa granted in relation to a masters degree by research or doctorate degree (and the masters degree by research or doctorate degree has started), or, the work is a registered part of your course that is mandatory, that was specified as a requirement of the course when the course particulars were entered into the Commonwealth Register of Institutions and Courses for Overseas Students. The report states that a Pilot program is a way forward and “*A pilot program allowing international apprentices to train and work in a specific industry or region would allow a testing of settings that address current barriers*” Just as the South Australian government is trialling the South Australian Skills Commission’s 407 Government Support Training Visa Pilot Program which has very exciting and significant opportunities to deliver life changing transformational education and training opportunities to people from marginalised communities in the Philippines and other Indo-Pacific and ASEAN member countries, due to the Section 45a of the South Australian Skills Act 2008 which stipulates that “*Training in trade must occur under a training contract*”, and how this impacts institutionally delivered trade training to international students (and others) this presents a significant opportunity for the South Australian government to pilot a traineeship or apprenticeship delivery model.

In addition to an apprenticeship/traineeship program/stream being trialled within the subclass 500 student visa program to deliver improved program outcomes, the South Australian Skills Commission’s 407 Government Support Training Visa Pilot Program which initially looked into opportunities between the Australian and Philippines Government through [Australia's development partnership with the Philippines](#), could be expanded for a traineeship/apprenticeship program linked to [Australia's Pacific Regional development program](#). This could see a shift from the existing Pacific Australia Labour Mobility program framework to the South Australian Skills Commissions 407 Pilot program, or the Commissions 407 international development pilot program could be included as a new stream of the PALM program. In addition to this both the Commissions 407 international development pilot and an apprenticeship/traineeship program could be implemented within [Australia's International Development program and International Development policy with a focus on Australia's international assistance for education](#).

These are important considerations if Australia is looking to maximise the outcomes and benefits of Australia’s skilled migration program and address critical issues such as the underutilisation of skilled migrants, whilst improving the skilled migrations social licence.

Underutilisation of permanent skilled migrants relative to their skills in Australia is a significant problem that needs to be addressed. Table 3 in the [Continuous Survey of Australia's Migrants Cohort 8 Report—Introductory survey 2020](#) shows that only 56% of skilled migrants are working in their nominated field and that over 30% are working at a lower skilled level than the nominated field or not working at all. As employer nominated migrants are required to work in their field as part of the visa application, it is assumed that higher levels of points tested migrants including state nominated migrants are not working in their nominated field or working at a lower level or not working at all. However, Table 3 does not differentiate between skilled migration programs, specifically points tested or demand driven, nor visa subclasses, nor the source of skilled migrant, such as international student or overseas migrant. For international students, it does not provide evidence of courses studied at the VET or higher education level or how the migrant passed the skill assessment requirements, for example was the skill

assessment based on a trade assessment of competency and proficiency, or was it based on work experience or completing a professional year program.

As previously suggested, this data is critically important to understand skilled migration outcomes post visa grant and to better inform future policy and program design. An example of better collection of migrant data can be seen in Canada.

The CSAM data is referenced in [the final report of the review of the Migration System](#), (see Figure 55).

What can be done to improve skilled migration program outcomes.

Ongoing improvements and reforms are required for a range of Australian visa programs that can end up with someone obtaining a skilled migration visa, these include changing the way we look at the 407 training visa, the 500 student visa program, and parts of independent and state/territory nominated visa programs. Changes to temporary employer sponsored migration visa programs (including DAMA's and Labour Agreements) and permanent skilled employer nominated visas will collectively result in Australia's skilled migration programs delivering better outcomes to all stakeholders.

The two main areas that are the focus of my submission that have a direct impact on the Inquiry's terms of reference are:

1. Underutilisation
2. Skills competency and proficiency

When we look at utilisation or underutilisation of skilled migrants it is important to look and consider a number of factors including the motivation of a skilled migrant, considering the skilled migrants age, county or origin, marital and family status, occupation and stage of their career, it is also important to consider employment history and why are they wanting to migrate to Australia. All of these factors contribute to skilled migration outcomes post visa grant. For example, is someone applying for a skilled migration visa just to obtain permanent residency in Australia as the primary motivation or is the primary motivation to obtain permanent residency in Australia so they can build or continue their career and have better employment and career progression opportunities. There is international literature that looks at this in greater detail.

[Deloitte Access Economics Maximising the value of the South Australian migrant community](#), report states:

"Adding to the complexity of the problem, underutilisation has numerous causes."

"Those identifying as working below their highest qualification most commonly cited local work experience, availability of suitable work, skill recognition and discrimination as reasons for the underutilisation of their skills."

53% No local work experience
45% Unable to find suitable job
36% Qualification and/or skills not recognised in Australia
30% Discrimination
21% other

“Local work experience is known to be a common gatekeeper to enter the workforce, leaving individuals in a “Catch-22” where local experience is required to get local experience. In the 2019 ABS Characteristics of Recent Migrants survey, a lack of Australian work experience and local networks were the top cited difficulties in finding a first job in Australia (ABS, 2020). This finding was further evidenced from consultations with government, industry and community groups who identified South Australia having a higher concentration of small to medium enterprises, which can accentuate preferences for workers with local work experience.”

What is interesting and a very important and relevant consideration about underutilisation rates of migrants is that despite these challenges for points tested, supply driven, human accumulation programs, including state/territory nomination programs, demand driven migration program outcomes for temporary and permanent employer nominated and employer sponsored migration programs do not have the same program or underutilisation outcomes. In the 2024/25 migration program year there were 68,200 temporary subclass 482 visas granted to primary applicants) and 119,440 primary 482 visa holders in Australia, working in their nominated occupation ([Department of Home Affairs, Temporary resident \(skilled\) report](#)). In addition to this there were 44,000 permanent employer nominated subclass 186 visa grants ([Department of Home Affairs, 2024-25 Migration Program Report](#)) during the same period. Demand driven programs require visa holders to have full time employment and work in an approved skilled occupation. As temporary subclass 482 and permanent subclass 186 visas are only granted to visa applicants who have an employer and full time employment, issues such as no local work experience, an inability to find a suitable job, qualifications and experience not recognised in Australia and discrimination are not challenges experienced in demand driven migration programs, however, these are significant challenges and concerns that plague points tested, human accumulation programs including state and territory nominated skilled migration. Demand driven migration program outcomes clearly demonstrate that Australian employers do recruit and hire overseas workers that do not have local experience.

A significant contribution to supply driven, points tested and state/territory nominated, human accumulation skilled migration program underutilisation is the operational structure of both the federal and state eligibility criteria and policies, including work experience and skills assessments that do not test applicants competency and proficiency of skills to determine if they are at an appropriate level and standard to match employer expectations. It is also interesting to note that 53% of those working below their highest qualification most commonly cited local work experience as the main reason for underutilisation of their skills, yet some ASQA/CRICOS approved education providers delivering trade qualifications to international students have no on the job work experience requirements which is significant different to on the job training that is obtained through the Australian apprenticeship training method.

Discussions regarding a student visa apprenticeship/traineeship pilot would look to address many of the major reasons for the underutilisation of their skills. Not only this it will better equip international student VET completers to be able to work at the relevant skilled level and contribute to our economy in a more meaningful way and help to address critical workforce shortages. For example, a student visa apprenticeship or traineeship program would connect students with local employers thus removing concerns regarding local work experience and finding a job and ensure that employers would recognise qualifications and skills in Australia. It should be noted that requiring all state nominated migrants particularly those who have completed a qualification in South Australia that is not recognised to complete an

Occupational Recognition Service assessment and who obtain an Occupational Certificate, would then have evidence of skills that are recognised in South Australia.

Another important consideration with regards to international students being able to obtain a Certificate III in 12 months with no on the job training (in addition to employers recognition of this qualification and education pathway) is that this type of education devalues the trade and apprenticeship pathway, and creates a significant difference between qualification standards between local Australian citizens and residents who complete a 4 year degree on apprenticeship wages, compared with international students can obtain a certificate III and therefore be paid a higher salary as per the relevant award as the holder of a certificate III. Not only is there a significant pay disparity and advantage to someone who can afford to pay international student visa fees and charges compared to someone completing an apprenticeship, the quality of skills and training and skills proficiency is significantly different. We are setting international VET students up to fail as the evidence indicates (in particular NCVER) that these qualifications lead to poor employment outcomes, yet many VET international student visa completers do successfully obtain permanent residency in Australia.

The South Australian Skills Commission 407 Government Support Training Visa Pilot Program, changes to student visas in South Australia in particular a potential apprenticeship student visa pilot, and the use of an occupational recognition assessment of trade proficiency and competency (including numeracy and literacy) prior to a state nomination being issued to an applicant with a trade nominated occupation are all ways to improve the operation and integrity of the skilled migration program whilst having a positive outcome on utilisation of skilled migrants. The South Australian Skills Commission 407 Government Support Training Visa Pilot Program and other streams of this pilot, plus a potential student visa apprenticeship/traineeship pilot would also have a positive impact on [NCVER VET completer outcomes](#).

An important part of the SA Pilot programs, is that Commission's 407 Government Support international development pilot outcomes will be captured by NCVER and will therefore show completer data over time, which can be compared to subclass 500 visa outcomes. NCVER completer data could also demonstrate the difference between 500 visa completer data where courses are provided institutionally compared with those delivered through a traineeship or apprenticeship.

In addition to this, overtime, it will be possible to review utilisation rates of skilled migrants who obtain a state nominated skilled migration visa. This could include utilisation rates of state nominated trade applicants who have or have not completed an ORS assessment and have been awarded an occupational certification compared to those who have only completed a skills assessment for migration purposes before being nominated for a state nominated skilled migration visa in South Australia.

It is my recommendation that all 407 visas require a visa holder to enter into a state/territory and/or federal national training contract following the South Australian Skills Commission 407 Government Support Training Visa Pilot Program. This provides a similar level of integrity as the student visa program and ASQA's assessment of a provider and qualification allowing the qualification and institution to be listed on CRICOS for a 500 visa, although concerns have been raised regarding the quality of training and the skills, competency and proficiency delivered through some ASQA approved courses for international students.

International students pay 100% of course fees yet in many situations they receive very poor educational outcomes. This is evident in South Australia where international students are undertaking trade training, as approved by ASQA and therefore published on the CRICOS website, and where they have been approved by the Department of Home Affairs and granted a student visa, but where these training programs targeted to international students are in breach of Section 45A of the South Australian Skills Act 2008, which states “A person must not undertake to train a person in a trade except under a training contract”.

Whilst some seek to exploit migration loopholes to obtain a permanent skilled migration visa, others study in Australia expecting to get a quality educational experience and education and training outcome and they are not. There is a vast difference between institutional training in a trade and an apprenticeship or traineeship. For example, some courses for international students and approved by ASQA have no on the job work experience requirements, others have varying work experience requirements, whilst some training and work are provided in a full time capacity, others over a longer period of time which appears to be specifically designed to allow international students to qualify for a post study work visa. For example, one approved provider who provides a Certificate III in Carpentry delivers 50 weeks of on the job training, but at only 8 hours per week.

It appears as though education providers want Certificate III qualifications to be CRICOS approved for 2 years as this is a more attractive course to provide to international students seeking a pathway to PR through the Australian General Skilled Migration program and state nominated skilled migrant visas.

As an example of this the following are some courses listed on the CRICOS website including the duration of courses and hours of work experience required.

Course Name	Provider	Level	Duration (Weeks)	Hours of work experience required	Weeks of work experience	Hours per week of work experience
Certificate III in Carpentry	Excellent Accounts Pty Ltd	Certificate III	104	480	20	24
Certificate III in Carpentry	Macallan College Pty Ltd	Certificate III	104	400	20	20
Certificate III in Carpentry	AUSTRALIA LIBERTY COLLEGE PTY LTD	Certificate III	104	400	50	8
Certificate III in Carpentry	Aspen Education Group Pty Ltd	Certificate III	104	360	18	20
Certificate III in Carpentry	ASHT Pty Ltd	Certificate III	104	380	10	Not defined
Certificate III in Carpentry	Australis College Pty Ltd	Certificate III	104	360	18	20
Certificate III in Carpentry	TAFE SA	Certificate III	104	400	10	40
Certificate III in Carpentry	AUSTRALIAN COLLEGE OF MANAGEMENT AND TRADE PTY LTD	Certificate III	60	380	19	20

There are 8 CRICOS approved courses in South Australia that require between 360 and 480 hours of work experience as part of the course, there are also 13 CRICOS registered courses that do not require work experience to complete the course.

Course Name	Provider	Level	Duration (Weeks)	Hours of work experience required	Weeks of work experience	Hours per week of work experience
Certificate III in Wall and Floor Tiling	AUSTRALIA LIBERTY COLLEGE PTY LTD (\$29,750)	Certificate III	104	360	45	8
Certificate III in Wall and Floor Tiling	Excellent Accounts Pty Ltd (\$36,000)	Certificate III	104	720	30	24
Certificate III in Wall and Floor Tiling	Aspen Education Group Pty Ltd (\$32,850)	Certificate III	104	360	18	20

There are 3 CRICOS approved courses in South Australia that require between 360 and 720 hours of work experience as part of the course, there are also 11 CRICOS registered courses that do not require work experience to complete the course.

Course Name	Provider	Level	Duration (Weeks)	Hours of work experience required	Weeks of work experience	Hours per week of work experience
Certificate III in Light Vehicle Mechanical Technology	TAFE SA	Certificate III	52	152	4	38
Certificate III in Light Vehicle Mechanical Technology	Sheffield College of Technology Pty Ltd	Certificate III	52	384	48	8
Certificate III in Light Vehicle Mechanical Technology	Australian Adelaide International College Pty Ltd	Certificate III	52	192	8	24
Certificate III in Light Vehicle Mechanical Technology	Macallan College Pty Ltd	Certificate III	78	240	12	20
Certificate III in Light Vehicle Mechanical Technology	Excellent Accounts Pty Ltd	Certificate III	78	480	20	24
Certificate III in Light Vehicle Mechanical Technology	Swann International Pty Ltd	Certificate III	52	360	18	20
Certificate III in Light Vehicle Mechanical Technology	Aspen Education Group Pty Ltd	Certificate III	52	200	10	20
Certificate III in Light Vehicle Mechanical Technology	ASHT Pty Ltd	Certificate III	78	360	36	10
Certificate III in Light Vehicle Mechanical Technology	Woodstock International Pty Ltd	Certificate III	52	180	9	Not defined

There are 9 CRICOS approved courses in South Australia that require between 152 and 480 hours of work experience as part of the course, there are also 11 CRICOS registered courses that do not require work experience to complete the course.

If ASQA guidelines and the intent of training is to ensure that graduates from approved VET courses/providers have the skills, competency and proficiency required to work at the skilled level in Australia, how is it possible that there are different standards when it comes to the work

experience and on-the-job proficiency requirements needed to learn and complete a trade. In addition to this, how can courses for international students be delivered to a lower standard than what is contained in the South Australian Act and how can there be such a significant gap between the quality of training and training outcomes between providers that have ASQA approval to deliver training to international students and deliver apprenticeships to Australian citizens and permanent residents. Shouldn't there only be one standard when it comes to education.

Providers of courses to international student visa holders where work experience is required as part of the ASQA approval and registration with CRICOS are limited in the number of international students that can train based on the number of employers who can deliver the work experience requirement to meet ASQA/CRICOS approved course content. Providers who do not need to deliver work experience as part of the ASQA/CRICOS approval are not limited with regards to the number of international students they enrol as they are not required to find employers to provide and/or meet the work experience.

The 485 graduate stream requires completion of an Australian trade qualification of at least 92 weeks in duration. Once someone has a Cert III and holds a 485, they can complete a Job Ready Program with TRA to get a positive/suitable skills assessment for an Australian Skilled Migration visa. Completing an Australian qualification (Cert III) gives an international student 5 points towards the points test for a general skilled migration or state nominated visa. Completing this qualification in a regionally defined/designated area, provides an additional 5 points towards the points test for a general skilled migration or state nominated visa.

Opportunities for a student visa apprenticeship/traineeship pilot.

Student visas have a mandatory schedule 8 visa condition applied (visa condition 8105). Condition 8105 states that visa holders cannot work more than 48 hours a fortnight when their course of study or training is in session, however, visa holders can work over 48 hours a fortnight if they hold a student visa granted in relation to a masters degree by research or doctorate degree (and the masters degree by research or doctorate degree has started), or, the work is a registered part of their course that is mandatory, that was specified as a requirement of the course when the course particulars were entered into the Commonwealth Register of Institutions and Courses for Overseas Students.

VET courses that appear on CRICOS are approved by ASQA and therefore, any VET program that is approved by ASQA to deliver a certain number of hours (and subsequently listed on the CRICOS website) permits the international student to study/work those number of approved hours as on the job training required under the qualification. Therefore, an international student would not be in breach of student visa condition 8105 if they were completing a traineeship or apprenticeship which has been approved by ASQA.

I note that such a pilot was recommended by Jobs and Skills Australia in their 31 May 2024, report [*"Apprenticeships: a missing pathway for international students?"*](#) This report states *"The Australian Government's Migration Strategy, released in December 2023, made a number of recommendations on how our migrant workforce can be supported to use their skills and experience to respond to Australia's productivity needs. One undertaking was to conduct an examination of what barriers prevent international students – those on a subclass 500 visa - from completing an apprenticeship or a traineeship."* Of note, there is nothing contained in that report that appears to preclude an international student from completing a traineeship or

apprenticeship, however, it would require international education providers to have such a program approved by ASQA for the purpose of that approved program (and the required hours to be completed on the job) being added to or listed on the CRICOS website. I do note that the JSA report incorrectly states that student visa work limitations are a reason why a subclass 500 student visa cannot be used for such a program – this is not correct.

The JSA report states that a Pilot program is a way forward and “*A pilot program allowing international apprentices to train and work in a specific industry or region would allow a testing of settings that address current barriers*”

Just as the South Australian Skills Commission are piloting the Skills Commission 407 Government Support Training Visa Pilot Program, Section 45a of the South Australian Skills Act 2008 presents a unique opportunity for the South Australian government to pilot a traineeship or apprenticeship delivery model to international students through the subclass 500 (student visa program). Further to this, it would be interesting to investigate opportunities for International Students to study at South Australian technical colleges, no different to pathways for local students or existing student visa opportunities at South Australian public and private schools and colleges. This would then have a pathway to an apprenticeship or traineeship as the holder of a student visa, via an SA Skills Commissions student visa apprenticeship/traineeship pilot.

Based on the research and findings from BDO, there are critical workforce shortages throughout South Australia that cannot be met due to the demographics of the South Australian population and workforce. Skills shortages will increase by close to 90% over the coming decade. The BDO research includes existing migration outcomes. Pilots such as the Skills Commission 407 Government Support Training Visa Pilot Program and other streams of this pilot, plus a student visa apprenticeship/traineeship pilot are critically important to addressing South Australia’s current and workforce needs. This would also improve underutilisation of skilled state nominated migrants and improve the overall quality and standard of VET training, evidenced through NVQER completion data over time.

This submission contains various scenarios based in South Australia, which are believed to be relevant and identify similar challenges in other regional and low population growth jurisdictions.

Regrettably, due to the current and historic program and eligibility criteria for the South Australian state nomination program we have seen relatively poor outcomes but noting the state nominated program does work very well in some circumstances. To get to the bottom of this problem there should be an investigation into the outcome of state nominated skilled migration visas conducted for the last decade to map the settlement, employment and distribution patterns of state nominated migrants. The outcome of this can then shape future program and policy reform to drive better economic, employment, utilisation and social outcomes. This would allow the Government of South Australia to do more of what works, and less of what does not work.

This is important due to the economic contribution of skilled migration outcomes to the South Australian (and national) economy, but also in terms of addressing critical workforce shortages and underutilisation.

This is a very pertinent article that featured in the Fin Review, written by John Kehoe on the 27th of May, 2024. [Migrants are ‘driving Ubers’, not working skilled jobs](#)

This article states that:

Half of skilled migrants are working in occupations they are overqualified for, suggesting that Australia is failing to capitalise on the influx of foreign workers and best match their skills to the most productive jobs.

Mr Tan's research on state-sponsored skilled visa holders found about 43 per cent of skilled migrants were not employed in their nominated occupation, under the state-government-sponsored visa scheme in South Australia.

This article and Mr Tan's research also states:

Local qualifications or recent work experience is often required in fields such as healthcare, teaching, accounting, security services, taxi driving and trades such as plumbing, painting and electricians.

If local qualifications and recent work experience is required as stated by Mr Tan, why don't we simply design a program that delivers both local qualifications and recent work experience, such as a student visa apprenticeship/traineeship pilot visa.

The Australian student visa program is heavily weighted to and focused on higher education. In an article by Natasha Bitá and Joanna Panagopoulos from The Australian, 2nd of October, 2025 [Foreign student focus revealed for every university in Australia](#) it was reported that:

The exclusive data shows that 51 per cent of all Australian-based students at the University of Sydney came from overseas last year. The sandstone university, which received \$1.6bn from foreign student fees in 2024 – enrolled 39,725 onshore international students and 35,727 Australian citizens.

With such significant skills shortages in trade occupations in Australia, are we currently shooting ourselves in the foot, considering that so many international students obtain a skilled migration visa in Australia following completion of their qualification or qualifications, but where so many end up underutilised. Should we realign our focus on trade training.

For some time the South Australian Government have been promoting that trade qualifications and work should not be seen as inferior to university degrees and a university education. With Blair Boyer MP, the Minister for Education, Training and Skills in South Australia stating:

For too long, we told young people a trade was a second choice.

That was a mistake.

Not only is a trade just as important— and as much of a mastery of skills as someone with a uni degree— but it's a passport to a well-paid, secure job.

Our Technical Colleges have brought back the trades pathways of the past.

South Australian Premier, Peter Malinauskas recent stated:

These students aren't going to university – because you don't need to, to get a good job here in South Australia.

If our state wants to build more homes, or nuclear-powered submarines, or to fix cars or planes, we're going to need skilled workers like these kids.

With this in mind, and a clear shift in thinking about university degrees and training compared with trade training and new technical colleges being built in South Australia, should we consider the role of and opportunities for international students to complete a trade apprenticeship or traineeship in South Australia as part of a pilot visa program.

Enforcement of Section 45A of the SA Training Act is a good step to ensure the quality of South Australian VET courses, however, an apprenticeship or traineeship visa for international students would be a significant program given the current nature of workforce shortages in South Australia. Done well, international student programs can provide additional skilled people to the South Australian workforce, plus deliver economic dividends whilst students are studying as an international student, however, international students are still able to enrol in VET trade qualifications, such as Automotive, Carpentry and Tiling for example, where there is no need to any workplace training – something which is significantly different to local Australian citizens and permanent residents.

Not only this, but these qualifications also provide a pathway to Australian permanent residency. NCVER completer data shows that only 28.2% of international students who complete a VET qualification work in a job directly aligned to their qualification. How many international students have used this VET pathway to get permanent residency through the South Australian state nominated program and who had no intention of working in their nominated occupation, rather they just used this VET pathway to get PR. Whilst there is no data on this at this time, NCVER completer data, plus underutilisation data and reports from Deloitte and Flinders University show that underutilisation is a significant problem, however, the full extent will never be known without the SA Government obtaining data on this in collaboration with the ATO and ABS. Only those who participated in the Deloitte and Flinders University research are captured by these reports, indicating that underutilisation and/or the misuse of the Australian migration program and the SA State nomination program could be significantly greater than most imagine. Course hopping is something that can be seen that demonstrates the movement of international students from a degree to a trade or vocational qualification, with many choosing to do this as it offers quicker, cheaper and faster pathways to permanent residency.

Course hopping is a major focus of the Menzies Research Centres “[International Student Course-Hopping: University Complicity and Government Inaction](#)” report.

This was reported in the Daily Telegraph by Charles Chadwick on the 22nd of January, 2026 - [Thousands of foreign students ‘systematically exploiting’ migration system](#)

This article states that:

New analysis from the Liberal-aligned Menzies Research Centre (MRC) – authored by University of Sydney academic Salvatore Babones – shows an explosion in so-called “course-hopping”, with foreign students dropping out of Australian universities shortly after arriving in the country to access the job market.

This is a significant problem that needs to be addressed for a range of reasons, one of which is that every time a non-genuine skilled migrant gets a skilled migration visa grant, it is taking that place away from someone who could have genuinely completed an Australian apprenticeship or traineeship on a student visa, rather than completing a VET qualification with no on the job work experience and where some people do not possess the skills, competency or proficiency required to be a tradesperson in Australia or in South Australia.

Problems and challenges in the student visa program are not only limited to South Australia or in the VET sector. On the 7th of July, 2025, Adele Ferguson and Chris Gillett of ABC Investigations released their investigations into fast-tracked childcare courses that were being provided to international students, [Fast-tracked childcare courses are putting Australian children at risk, insiders warn](#). This indicates that the behaviour of both education providers and international students can be influenced by migration settings and opportunities to provide courses to students that have a direct pathway to permanent residency. Whilst providing courses to students to meet market demand, namely a qualification that leads to a permanent migration outcome is not too much of a problem, the quality and standards of education should be of the highest concern.

Current skilled migration outcomes are a direct result of the existing operational structure and migration settings, rules, regulations, legislation and policy, including [the FIONA methodology](#), State/Territory nomination criteria and lucrative opportunities for education providers, and opportunities for international students and other applicants to access permanent residency pathways in Australia despite scenarios where some do not have the competency and proficiency, or numeracy and literacy required to work at the skilled level or in their nominated occupations, thus failing to address critical workforce shortages in key industry sectors, more so in regional and low population growth jurisdictions.

Skilled migration outcomes (effect) cannot and will not change unless structure reforms are implemented (cause).

Google AI' Overview tells me that:

The Law of Cause and Effect, also known as Universal Causation, is the principle that every action or event (cause) produces a specific result or consequence (effect), meaning nothing happens randomly, and our actions, thoughts, and decisions create our reality, a core concept in science, philosophy, and personal development. It's often linked to Newton's Third Law ("for every action, there is an equal and opposite reaction") and implies a predictable, orderly universe where changing causes (like habits or choices) changes effects (life outcomes).

Therefore, if we want to improve Australia's general skilled migration outcomes, including reducing underutilisation and addressing critical workforce shortages, we must change the way the migration program currently operates as it is the current methodology and operational

structure which has led to the current outcomes, including the settlement and distribution, and employment patterns of skilled migrants.

Other considerations for reform.

Other considerations for skilled migration reforms includes:

1. the assessment and grant of an international student visa which stipulates which courses and at which level an international student has been approved to study in Australia to increase the integrity of the student visa program and to stop course hopping. Changes, reforms and punishment should also be made and enforced within the international education agent sector to limit the provision of unregistered immigration advice and assistance and to ensure that education agents do not facilitate course hopping to benefit from multiple commission payments for one international student. Course hopping is common for some international students who want to study a VET program as a quick and easy way to get a permanent residency visa, but who would not be granted a student visa to study a VET qualification. In this scenario, they will apply for and be granted a student visa to study a degree qualification, before swapping to a cheaper alternate course that offers a quicker pathway or opportunity for permanent residency in Australia.
2. A hybrid skilled migration program is South Australia would deliver significant benefits. It would reduce costs associated with permanent employer sponsored skilled migration visa applications, it would improve state nomination program outcomes, it will increase the salary and therefore the lifetime fiscal contribution derived through this the 190 program, plus it will increase significant underutilisation rates.

With regards to costs benefits, a 190 hybrid permanent skilled migration visa compared with a 186 employer nominated permanent skilled migration visa delivers the same outcome, permanent residency, however costs would be significantly different, an important consideration for the South Australian Government who use taxpayer money for visa applications. This Hybrid model would be a far more responsible use of taxpayer money whilst delivering the same outcomes. For example, a 186 visa requires the payment of the Skilling Australian Fund levy which for a large business (such as South Australian Government department) where the annual turnover is greater than \$10 million. Migration agents or Immigration Lawyers professional fees for a 186 compared with a 190 visa are likely to be around \$1000.00 to \$1,500.00 higher. Therefore, the SA Government could save up to \$6,500 per application if they adopted a hybrid 190 program. This hybrid model would also apply to and provide benefit to the private sector, not only the public sector.

For the purpose of this example, if the South Australian Government nominated 250 people a year, namely doctors, dentists, allied health workers, registered and enrolled nurses and other skilled professionals, such as IT, engineers, project managers and teachers, the Hybrid model would save South Australian tax payers around \$1,625,000 a year in visa application fees and charges, whilst delivering exactly the same outcome. This Hybrid program could operate in all regional and low population growth jurisdictions.

Conclusion

In addition to the benefits that would be achieved via the introduction of a Hybrid skilled migration visa, implementing the reforms as set out in the BDO report for Global Adelaide regarding the 407 program would not only fill 28,000 of the projected 43,500 job vacancies that are anticipated to exist in South Australia by 2035, but it would also generate close to \$50 billion in GSP to the SA Economy.

Improving underutilisation in South Australia could increase GSP in South Australia by approximately \$20 billion over the coming decade. Steps to Improving underutilisation include introducing an [occupational recognition service](#) assessment for all vocational and trade state nominated candidates and by piloting an apprenticeship or traineeship visa in South Australia.

It would be interesting and very important to model the impact of apprenticeship visas to the SA economy and to understand the true economic value the South Australian Skills Commission 407 pilot has in terms of international development through training and money repatriated back to the training visa participants country of origin, including the potential value of Departing Australia Superannuation Payment (DASP) entitlements at the time of completion of a 407 visa, and the benefit of the DASP and the training provided has to the lives and families of those who participate in this program. This shows that there is a lot of consideration and research required to understand the full economic benefits that migration can provide.

The South Australian Government could reallocate taxpayer funds saved by adopting a hybrid skilled migration approach to it permanent skilled migration program to the 407 visa pilot to increase South Australia's international development and training opportunities for people from the Indo-Pacific and ASEAN member countries.

As an example, if the South Australian Government funded South Australian Skills Commissions 407 Government Stream International Development Pilot to train 50 Filipino enrolled nurses across regional South Australia, and it costs approximately \$36,900 (based on the CRICOS fee for international students), the program training costs would be approximately \$1,845,000. In this scenario the money is circular as it goes back to the SA Government through TAFE enrolment fees.

Based on economic data and modelling completed by BDO for Global Adelaide, 50 nurses living, working and studying in South Australia would create 37.5 FTE jobs and \$18,928,570 million in additional GDP per year. Far outweighing the SA Government investment resulting in this model being a positively geared investment from the SA Government, not to mention the significant life changing opportunity this provides to people participating in this program or the benefit this will have with regards to the social licence for migration in South Australia.

Most importantly 50 nursing cadets, filling 50 roles in regional South Australia will help to address critical workforce shortages, plus reduce the reliance and use of agency staff for such roles. This will result in a net reduction in wage expenditure for SA Health and regional Local Health Networks (it will be good to get some costs benefits on this).

Key Stakeholders of this part of the Pilot are the SASC, SA Health, and TAFE SA. I contend that this program due to its specific design and approach would have the absolutely highest operational and integrity standards, and provide the greatest level of protection against visa holder exploitation within the existing 407 program and would allow the Department of Home Affairs to monitor the program's success and consider implementing part or all of the design of

the South Australian Skills Commission 407 Government Support Training Visa Pilot Program as part of urgently required national reform of Australia's 407 training visa program.

The SA Government are currently spending millions of dollars trying to solve underutilisation, without fixing the underlying issues which cause of underutilisation. Whilst this approach will have some successful outcomes in helping some state nominated skilled migrants find employment at an appropriate level, underutilisation would reduce if the South Australian Government tested competency and proficiency, plus numeracy and literacy to ensure state nominated migrants met standards and expectations of the local workforce.

A big contributor to this problem is caused when the South Australian Government nominated people for a skilled migration visa who have completed education in South Australia that does not meet or comply with Section 45A of the SA training Act. Other causes of Underutilisation are due to current and historic eligibility criteria for state nominated visas where at one point in time, the SA Government actively encouraged international graduates and those seeking State Government nomination for skilled migration visa to work in unskilled roles to qualify for a state nominated visa. Other recent guidelines such as nominating skilled migrants without the need to have any work experience, or where work experience is paid for by the visa applicant to the employer to meet the eligibility criteria to obtain a skills assessment also contributes to underutilisation and more serious examples of the Australian skilled migration program being exploited. There are other situations where education providers, migration providers, education agents and/or employers will collude to deliver a qualification and work experience required to obtain a positive skills assessment and meet state nomination requirements to secure permanent residency as a package deal. Others may work as a general farm hand but obtain reference letters stating they worked as a skilled horticultural worker and use this in addition to their Australian qualification to obtain a positive skills assessment and to be nominated by the South Australian Government for a state nominated visa.

NCVER completer data shows that international student completers in the VET sector work in their trade 28.2% of the time. NCVER data also shows how many international students are completing courses in SA that do not comply with Section 45A of the States Training Act. We also see CRICOS approved providers delivering trade courses with no on the job requirements imbedded into their course, yet these graduates have obtained state nominated visas. Should we trust mechanics who obtained a qualification with no on the job training but enabling a PR pathway to work on cars and other vehicles that are driving on our roads and freeways.

It would be an interesting statistic to see outcomes of TRA applications for an onshore skills assessment which are used for a skilled migration visa. Does anyone fail these assessments, or do all pass regardless of skills, experience, competency and proficiency. Recent assessments carried out under the SA Governments [Occupational Recognition Service](#) for an onshore South Australian Skills Commissions endorsed 407 training visa program show that 100% of those assessed did not meet the competency and proficiency standards required to certify their skills and knowledge in order to receive an Occupational Certificate from the South Australian Skills Commission. This is alarming as these candidates have completed a certificate III in Automotive and have passed a TRA Job Ready Program skills assessment. This ORS assessment and recognition of trades and declared vocations is for people who haven't completed an apprenticeship or traineeship, but have developed sufficient skills and knowledge through employment, on-the-job or other training, in specific occupations. Until recently the South Australian Government nominated mechanics through the South Australian state nominated program.

The current South Australian Government system insufficiently assesses a candidate's suitability to work in South Australia at the skilled level, however, this is very easy to remedy by accessing another South Australian government functionality.

Assessing all vocational and trade occupations through the ORS process to see if those seeking to be nominated by the SA Government have the skills, experience, knowledge, competency and proficiency, plus the numeracy and literacy required to work in South Australia at the trade level is required. This test currently exists through the SA Skills Commissions ORS process.

If the South Australian Government genuinely wants to address underutilisation and improve skilled migrant outcomes, ensuring that South Australia maximises the benefits of skilled migration into South Australia, they will immediately incorporate the ORS assessment into their eligibility and assessment criteria. If, however, the South Australian government does not immediately incorporate the ORS process into their assessment and eligibility process, it would then appear as though the quality of skilled migration outcomes and addressing underutilisation of state nominated skilled migrants, particularly those with a trade or vocational qualification is not a priority. A question would then have to be raised as to why the South Australian Government would not want to implement such a simple piece of contemporary and beneficial reform into the operational structure of the state nominated skilled migration program in South Australia.

Regrettably, a big part of the problem with state nomination programs is that some applicants don't genuinely want live and work in South Australia or in their nominated occupation, yet they successfully obtain a state nominated skilled migration visa. This is not something new, this has been something occurring for decades, yet surprisingly there is no data available allowing us to investigate the employment or distribution or settlement outcomes or patterns for state nominated skilled migrants in South Australia. This is very odd. How is it possible to know if the SA Governments skilled migration program is working in terms of addressing critical workforce shortages in South Australia if you do not track the performance of program and policy settings. Post visa grant data collection could also be extended to the SA DAMA's. It would be a very easy exercise to collect and obtain such data, yet the lack of such data restricts the South Australian Government and the Federal Government, including Home Affairs from understanding the success or failings of existing migration programs or areas of the program that need to be reformed.

The SA Government has funded important research into underutilisation which shows that South Australia has the worst underutilisation of skilled migrants and state nominated migrants nationally. Deloitte access economics and Flinders University reports highlight the significant challenges faced by state nominated skilled migrants and overall migration outcomes in South Australia. Home Affairs have published data on the different average income of state nominated skilled migrants compared with independent skilled migrants and permanent employer sponsored skilled migrants. The lower salaries and therefore lower lifetime fiscal contribution per state nominated skilled migrant has seen the SA State Nomination program numbers slashed from 8,800 post COVID to around 2,250 this year. If the SA state nominated program performed better, there would be a strong argument for state nomination program numbers to be increased.

In almost 30 years of working in the Australian immigration profession, I have not witnessed any period in which the state nomination program has delivered such poor outcomes or where underutilisation or misuse of the program by those seeking a permanent residency outcome has been as problematic as it is today. This costs the South Australian economy billions of

dollars every year, plus we are failing to maximise the economic benefit of skilled migration into South Australia and we are significantly disadvantaging the South Australian economy and key industry sectors and local businesses by not providing the labour market with skilled migrants who are able to participate in a job or role at the level required by business and industry.

Regrettably, this is not only limited to South Australia with significant underutilisation concerns raised by [Settlement Services International](#) (SSI) who commissioned research that found “*more than 620,000 migrant workers already in the country do not have the opportunity to fully use their skills*”. SSI’s 2024 report “[Billion Dollar Benefit, The economic impact of unlocking the skills potential of migrants in Australia](#)”

In addition to this the [2024/25 Migration Program Report](#), released by the Department of Home Affairs shows significant the extent of the backlog or pipeline of lodged but unprocessed visa applications made to the Department of Home Affairs.

This reports shows that the total permanent Migration Program outcome for 2024-25 was 185,001 places.

The breakdown for each of the major streams (skilled and family) within the Migration Program was as follows:

- 132,148 places were delivered in the Skill stream;
- 52,500 places were delivered in the Family stream; and

It is important to note that the overall number of applications received in the Skill stream increased by 28.6 per cent to 141,803 applications in 2024-25. At 30 June 2025, there were 153,351 Skill stream applications on-hand, and in the 2024-25 migration program year there were 132,148 skilled stream vis grants. Therefore the back log of on-hand applications or the Departments pipeline is growing, this results in significant processing delays.

The overall number of family visa applications made to the Department of Home Affairs in 2024-25 was 93,241. At 30 June 2025, there were 271,800 Family visa applications on-hand, in the 2024-25 migration program year there was a total of 52,500 family visa grants. The back log of on-hand applications, or the pipeline is growing every year.

We are also seeing significant processing delays with other visa programs such as the 407 training visa program due to significant integrity concerns and the Subclass 482 (Skills in Demand) (SID) visa program, which in some cases is seeing urgent applications taking longer than 6 months. Processing delays and backlogs with company specific labour agreements is also a significant challenge for those businesses that rely on this program to address critical workforce shortages with some labour agreement applications or requests taking over 3 years to process.

The Australian skilled migration program is nearing a catastrophic failure at a time when businesses are increasingly turning to this program due to critical workforce shortages in Australia which will get worse over time due to Australia’s low fertility rates, significant underutilisation (which is a result of the current operational structure of the skilled migration program, and other challenges such as the age profile and demographics of our workforce and aging population.

How bad does both the South Australian state nominated and DAMA program and the Federal Migration program need to get before beneficial contemporary migration reform occurs.

Whilst this is a significant problem, as I have discussed there are very simply and easy solutions to improve outcomes, reduced costs, improve utilisation rates and maximise the economic benefit and contribution that a contemporary migration program can deliver and thus, improve the public perception and understanding of migration.

Current skilled migration settings at the Federal and state and territory level is most likely why Australia is ranked so poorly by international standards in terms of skilled migrant attraction and retention, and why South Australia and Australia are grappling with unprecedented skills shortages that are out of control, to the point where skills shortages in South Australia will increase by 90% over the coming decade.

Skills shortages and underutilisation is not just a local South Australian or national problem, skills shortages and underutilisation of migrants is an international challenge, with international reports demonstrating that Australia has significant opportunities available to us if we can improve our skilled migration programs.

This submission looks at some of the challenges and potential solutions to address skills shortages, improve migrant utilisation and have a positive impact on the lives of all Australians. This identifies some of the challenges faced and potential opportunities to reform the current skilled migration program and program outcomes, by examining the pathways to a skilled migration outcome. By improving the quality and standards of various pathway visa programs, we will see an overall improvement in Australian skilled migration program outcomes.

Mark Glazbrook
Global Adelaide

Mark Glazbrook

From: Mark Glazbrook
Sent: Friday, 2 August 2024 5:17 PM
To: [REDACTED]
Subject: Review of the Regional Migration Settings - submission Global Adelaide
Attachments: Engagement letter_Future workforce needs for South Australia_240427.pdf; Future Workforce Needs for SA_Insights from Stakeholder Consultation_020824.pdf; SACES Report 1.pdf; SACES Report 3.pdf; SACES-Report-2.pdf; Global Adelaide - Migration review submission - amended 6 Jan 2023 PDF.pdf; Home - Right People, Right Skills, Right Place, Right Policy - Migration Solutions, SACES Summary Report 2018.pdf; Understanding the economic opportunity of demand driven migration for South Australia. BDO Econsearch..pdf

Hello [REDACTED]

In support of this submission, I have attached the following documents.

- SACES 'Report 1: Key challenges. The potential benefits of reforming migration policies to address South Australia's needs' *April 2017*
- SACES 'Report 2: Areas Where the Migration System Does Not Meet South Australia's Needs' *June 2017*
- SACES 'Report 3: Policy Solutions' *September 2017*
- Home, Right People, Right Skills, Right Place, Right Policy – Migration Solutions, SACES Summary Report *2018*
- BDO Econsearch Understanding the Economic Opportunity of Demand Driven Migration for South Australia, report, *November 2021*
- Global Adelaide's submission to "A migration system for Australia's future" *December 2022*
- BDO Engagement letter for Future workforce needs for South Australia, *April 2024*
- BDO Econsearch "Future workforce needs for South Australia", Insights from Stakeholder Consultation, report *July 2024*

I also request that you not only review my submission to the Joint Standing Committee on Migration inquiry and report on migration in regional Australia from 2020, I also recommend that you review all submissions to understand the legacy/historic issues faced by regional and low population growth jurisdictions at that time which are summarised and evidenced in submissions to that inquiry, although regrettably the inquiry was not completed as intended due to the impact of COVID19 at that time.

With regards to your discussion paper, I note that it contains information that would may be misunderstood or misinterpreted by someone who does not have an in depth understanding of the migration program and how regional migration programs intersect and interact with other programs and how Australia's highly skilled, high income, high fiscal contribution methodology negatively impacts and affects regional and low population growth jurisdictions, or how migration programs have operated or performed over the decades.

For example, the discussion paper gives the impression that there has been an increase in regional visa grants over the past 5 years, but does not provide guidance that in 2019, the regional migration program was changed and areas including the Gold Coast were reclassified as "regional". I also note that Perth is neither regional nor a low metropolitan population growth area, yet is classified as regional. To this end, I believe the increase in regional visa grants has occurred as a result of the reclassification of regional areas, rather than an increase in the grant of visas for businesses operating in previously classified regional areas. I also note that the subclass 187 visa program had 20,000 places available, however, Figure 4 in your discussion paper reflects the 187 program from 2016-17. I note that the subclass 187 RSMS outcome in 2013-14 was 16,538 places, a 19.4 per cent decrease on the 2012-13 outcome of 20,510 places (source: [2013-14 Migration Programme Report](#))

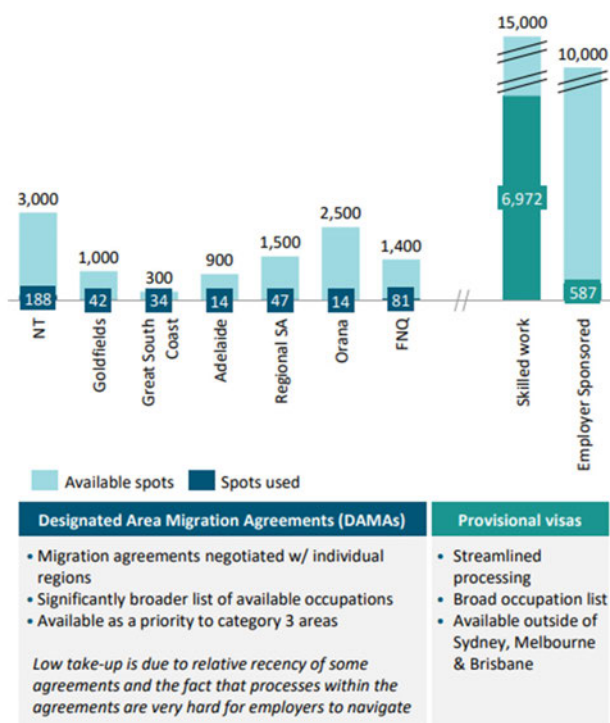
Whilst I do understand from the published data that there has been an increase in subclass 190 and 491 regional visas, without any sophisticated post visa grant data, it is not possible to understand how these programs perform over the short, medium or long term, with regards to the attraction and retention of skilled migrants to regional areas, or with regards to how many visa holders are working in their nominated occupation. Such data could be collected through visa applicants being required to provide a tax file number with any visa application made. The benefits of doing so would exceed the skilled migration program, it would be very helpful in terms of student visa holders and other temporary visa holders such as subclass 482 visa holders, significantly increasing the integrity of the Australian migration program and would be a significant enhancement to combat exploitation.

Historically, regional visa grants were higher than they are today, even though the regional classification at that time was smaller and the metropolitan classification was higher.

Figure 46, below shows Designated Area Migration Agreement information from last years Federal Review. The information contained in this figures shows that despite an increase in regional programs, in addition to the expansion of regional areas, regional programs are not successful.

Regional migration programs are poorly utilised

Figure 46: DAMA and Regional Skilled visa uptake



Source: ABS Census 2016

In hindsight, it would have also been very helpful to show the outcomes of the various industry labour agreements that operate across regional Australia, and for both DAMA information/outcomes and the outcomes of other regional programs that operate across regional Australia, specifically being industry labour agreements to show the number of grants over the past 5 years, and the nominated occupation for these grants/outcomes.

These would include:

- The Pork Industry Labour Agreement,
- The Meat Industry Labour Agreement
- The Horticulture Industry Labour Agreement
- The Fishing Industry Labour Agreement, and,
- The Dair Industry Labour Agreement.

In addition to these agreements, it would have also been very useful that have information provided on the total number of company specific labour agreements that are current in force and the number of visa outcomes and nominated occupations approved.

I note that information published on the Department of Home Affairs website shows that there are currently 236 items listed when you conduct a basic search of company specific labour agreements, however, this does not differentiate between metropolitan or regional, or low population growth jurisdictions.

It would have been informative and beneficial to also show subclass 482 visa grant data in your discussion paper. I note that as an example, in South Australia where the entire state is considered regional for migration purposes, primary 482 visa grants in 2023-24 to 31 March 2024 were 940 compared to 1,020 which is a -8.1% decrease on the previous year. Despite South Australia being approximately 6.92% of the total population of Australia, our primary visa grant share of the 482 visa program is only 2.6%. This demonstrates that South Australia receives a disproportionately small share of the 482 visa program despite being classified as regional and having 2 state based Designated Area Migration Agreements (DAMA's) in addition to other industry specific labour agreements and company specific labour agreements. (source: [Temporary resident \(skilled\) report at 31 March 2024, Department of Home Affairs](#))

One area of the Australia's migration program and outcomes which is critically misunderstood, is the economic benefits of different migration programs. The current highly skilled, high income fiscal methodology clearly promotes visas being granted to those who will live and work in Australia's large capital cities where the income earned is greater, resulting in a greater lifetime fiscal (tax) contribution to the Commonwealth, a position supported by the Grattan Institute and referenced in the 2023 migration report. This methodology was discussed in 2016 Productivity Commissions [Migrant intake into Australia, Inquiry report](#). However, as discussed earlier, a shift had already taken place to reduce regional visa, namely through the regional RSMS 187 program by 20% from 20,000 places in 2014-15 compared with the 2013-14 planning levels.

There is also a lot of discussions most relevantly and recently from the Group of 8, demanding the new immigration minister Tony Burke overhaul planned caps on international students due to the economic impact of the proposed reforms to the Student visa program, designed and implemented to reduce Net Overseas Migration. [Business leaders, GO8 demand new Home Affairs Minister Tony Burke overhaul planned caps on international students, by Rosie Lewis, The Australian 29 July, 2024](#)

The [Final Report of the Review of the Migration System 2023](#), states:

Australia today mainly relies on two broad concepts to assess migration's success or otherwise: assessment of the fiscal costs/benefits of different classes of migrants, and the overall impact of migration on the population, known as net overseas migration. This approach is flawed. Australia lacks the data needed to properly evaluate the migration system's performance and understand the full range of migrant outcomes.

It is with this in mind that Global Adelaide recommends that prior to any changes to regional migration are made, that the BDO Econsearch report "Future workforce needs for South Australia" which refines and earlier methodology designed to measure the economic benefit of beneficial regional migration reform be reviewed and this methodology tested. BDO Econsearch "hypothesise that ignoring distributional effects has led to a national policy that prevents South Australia from benefiting from migration in the way that the more populated states do" and BDO Econsearch are undertaking research to test this hypothesis. It should be noted that this methodology can be equally applied to any jurisdiction nationally and is not only relevant in South Australia but will serve as a clear indicator in terms of measuring the economic benefits that can be achieved through national regional migration reform.

Whether it be national reform to the Australian skilled migration program via the high fiscal methodology, understanding the economic impact of migration reform to the international student sector, or beneficial regional migration reform, these very important matters should be investigated by the [Office of Impact Analysis, Department of Prime Minister and Cabinet](#). Given the significant importance of all three parts of the migration program to the national economy and our ability to be globally relevant and internationally competitive when looking to the migration program to assist meeting future workforce demands across all jurisdictions and industry, any significant migration reform, such as highly skilled, high income, or changes to international education or to regional Australia

should have an impact analysis completed to understand the benefits and examine and understand the unintended consequences of reforms.

The Office of Impact Analysis website explains why Impact Analysis is important, where it states:

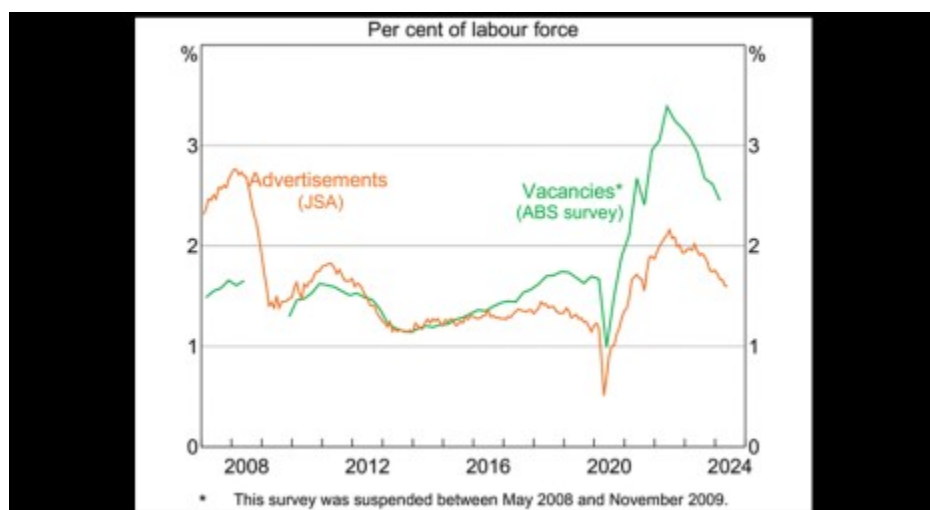
Impact analysis helps policymakers consider how proposals affect businesses, individuals and community organisations, as well as broader economic and other impacts.

Strong evidence-based impact analysis is a powerful tool when applied intentionally and consistently. The Australian Government's Policy Impact Analysis Framework ensures that decision makers are supported with the necessary evidence base, and that policy options are well-designed, well-targeted and fit-for-purpose.

I note that it is possible to design a regional migration program in Australia that does not breach Article 12 (1) of the International Covenant on Civil and Political Rights (ICCPR). This would be based on a regional and low population growth program where a visa holder can apply for a visa to live and work in a designated area, and is free to move to any other non-regional classified area upon obtaining a subsequent visa to do so. By carefully designing a regional migration program which includes international education and an expansion of the 407 training visa, it is possible to remove loopholes that can be exploited by some who are not genuinely looking to live, work and commit to contributing to regional Australia or acting in a manner which is not aligned to the intent of a regional program. The design aspect of this type of program is not difficult, however, one needs to understand the economic opportunities and benefits that this type of regional migration program can deliver. This would ensure that Australia could not be seen as trying to force people to live and work in a regional area, rather providing opportunities for people to live and work in regional areas if they chose to do so.

I note there is a lot of commentary around visas that operate in regional areas, such as DAMA's, the working holiday visa program and the PALM scheme, however, these programs are not primarily designed to address workforce challenges. List of occupations are also based on historical vacancies, not current and future workforce needs and valid points have been raised about the completeness and accuracy of Jobs and Skills Australia vacancy lists when considered alongside RBA job vacancy data.

The following figure, Job vacancies and advertisements, Australia is sourced from the Reserve Bank of Australia and demonstrates the gap between job advertisements reported by Jobs and Skills Australia and job vacancies data collected by ABS.



Whilst I do not agree with comments in the 2023 Migration Review that Australia's migration system lacked clear objectives or a lack of clarity on what Australia has been trying to achieve through migration, as Australia's skilled migration objectives are clearly based on achieving the highest possible fiscal outcome, I do agree that there is a lack of clear objectives for regional migration, as regional migration is seen as secondary in terms of Australia's high fiscal income methodology with calls from some that regional migration programs be abolished and giving visas to someone in a regional area will detract from the higher fiscal benefit of giving a visa to someone who will earn more

money in a large capital city. I contend that Australian regional migration reform is a wicked policy problem as it lacks clarity in both its aims and solutions.

If it is believed that regional migration should support the unique skills needs of the regions as is set out in the discussion paper, then significant reform is required as the available evidence of visa outcomes over the past decade clearly articulate and demonstrate that Australia's current regional settings and programs are not working in terms of supporting the unique skills needs of regional and low population growth jurisdictions. Australia's regional migration programs are discombobulated to the point that regional has multiple definitions compared with metropolitan, and suburbs such as Middle Park and Jindalee (4074) are considered "regional" despite being suburbs that are within the Brisbane City Council.

Global Adelaide and the Global Adelaide network welcome an opportunity to work with the Department of Home Affairs and the Australian Federal Government as part of this review. BDO Econsearch have provided a summary of stakeholder consultations with the following South Australian businesses and associations who have to date participated in the "Future Workforce Needs for SA" report and interview process:

- *RDA Murraylands and Riverland*
- *SA Forest Products Association*
- *Housing Industry Association*
- *South Australian Business Chamber*
- *TICSA*
- *RESA*
- *Petroleum Industry SA/NT*
- *SA Freight Council*
- *CCF SA*
- *RDA Yorke and Mid North*
- *DTC*
- *Property Council SA*
- *RDA Barossa Gawler Light Adelaide Plains*
- *MTA SA*
- *RDAEP*
- *RDA Metro Adelaide*
- *Aged Care Industry Association*
- *RavenMeat Hospitality Group*
- *Primary Producers SA - PPSA*
- *RDA Adelaide Hills, Fleurieu and Kangaroo Island*
- *District Council of Cleve*
- *UDIA SA*
- *PISC*
- *SA Sardine Industry Association*
- *NDS*
- *SA Skills Commissioner*
- *AMEC - Association of Mining and Exploration Companies*
- *LGA SA /LG Professionals SA*
- *DSD*
- *Migration Solutions*
- *AusVeg*
- *Committee for Adelaide*
- *AHASA*
- *Australian Meat Industry Association*

Regional Migration Reform Submission, Global Adelaide, Demand Driven, Placed Based – Nation Building Migration Reform.

It is evident from relevant published data that a largely one sized fits all national migration program focused on a highly skilled, high income, human accumulation methodology does not address current or future workforce needs in regional and low population growth metropolitan jurisdictions.

The solution to this is simple, a stand alone regional and low population growth metropolitan program. One that is not captured under the current high fiscal methodology for measuring the long term economic fiscal benefits, rather one based on addressing current and future workforce needs in regional and low population growth jurisdictions.

Programs such as this have existed in one form or another in the past and to some extent still exist today, with programs such as Designated Area Migration Agreements, Industry Labour Agreements and Company Specific Labour Agreements and some demand driven place based migration programs available, however, the evidence shows that these programs are very underutilised, despite significant unmet workforce demand throughout regional and low population growth jurisdictions.

A demand driven, place based – nation building migration reform strategy would operate alongside existing demand driven programs and highly skilled, high income human accumulation migration programs. The Global Adelaide submission to “A migration system for Australia’s future” sets out a range of potential reform ideas.

Essentially, a stand-alone regional migration program would have overarching Federal Government settings that would allow the use of all ANZSCO skill level 1-5 occupations, including Not Elsewhere Classified (NEC) occupations. This program would have the opportunity of offer and provide concessions for English, the Temporary Skilled Migrant Income Threshold, Age and work experience, and skill assessments as required.

The program would offer a pathway to permanent residency for temporary visa holders to assist in attracting and retaining demand driven migrants in regional areas.

A regional program would be aligned to international education delivered in regional areas and the 407 occupational trainee visa occupation list would align to the regional occupation list.

At a state/territory level, the program would be based on state/territory based demand in low population growth metropolitan and regional/rural areas. Occupational lists would be designed based on consultation between state/territory Government, Regional Development Authorities, the Local Government Associations and other key stakeholders including industry sectors. In areas such as the Tri-State region covering regional South Australia, Victoria and New South Wales, the Cross-Border workforce have very rich data on current and future industry and workforce needs. Any national migration program when operating at a state based level requires the flexibility to allow areas that sit in one or more state or territory jurisdictions to have its own regional migration settings.

Visa holders granted a visa to study and work in a designated area would only be permitted to move to a non-regional area if they qualify for an alternate relevant visa.

Requiring visa holders to provide an Australian Tax File number would allow the Government to monitor compliance be visa applicants and employers, plus obtain relevant post visa grant data to ensure that the program can be continually improved. Any visa holder applying for an Australian visa that permits work rights, should be required to obtain and provide their tax file number to allow the Government to monitor Australian visa programs and to increase the integrity of the Australian migration program, through Australia’s Single Touch Payroll (STP).

Other measures could be considered to attract and retain people to regional areas, including temporary visa holders who are living in a designated regional area getting immediate access to their super, which would not only support their cost of living and contribute to additional spending regional areas, it would increase Federal Government revenue through increased taxation on superannuation.

Other considerations could include full work rights for international students who study in a designated regional area, thus helping to address current and future workforce needs, and 407 dependent visa holders in regional Australia having full work rights.

State based incentives and concessions to attract temporary visa holders to regional Australia could be offered.

The impact of the highly skilled high income based fiscal methodology, namely the more money someone earns, the more tax they pay over their lifetime and the less money and support someone gets from the Federal Government has a negative impact on the distribution and settlement patterns of migration in regional Australia where ABS data shows that income in regional Australia is less than capital cities. This is further evidenced by a recent South Australian productivity commission report which found that wages in South Australia are approximately \$8,000 less than the national average, yet there is no regional variation or concession to the Temporary Skilled Migration Income Threshold in South Australia or other regional areas, other than the concessions in the SA DAMA's and other industry specific labour agreements, discombobulated.

In 2021 BDO Econsearch were engaged to develop an alternate methodology or way to measure the economic benefit or opportunities that could be achieved through beneficial place based, demand driven regional migration reform. The report which contained a microstudy on the horticulture sector in South Australia is attached for your information but the summarise, the report found:

We estimate that in October 2021 horticulture businesses in South Australia had approximately 3,400 job vacancies and that approximately 850 (25 per cent) of these could appropriately be filled by demand driven migrants. If these 850 positions were to be filled by demand driven migrants then we would expect, in addition to the employment and production of the migrants themselves, approximately 1,000 fte jobs and \$124.0 million of gross state product to be generated in the broader economy through flow-on effects.

Filling persistent workforce shortfalls in occupation and regions that South Australians choose not to work in creates opportunities in areas they do choose to work in. For example, we estimate that filling 100 horticulture vacancies in the South East with demand driven migrants would generate approximately 162 fte jobs and \$20.2 million of gross state product in the South Australian economy through flow-on effects, including approximately \$4.9m in gross regional product and 41 fte jobs in Adelaide due to the inter-regional economic linkages to the South East.

In May 2024 Global Adelaide engaged BDO Econsearch to further refine this methodology as an alternate way to identify and understand the fiscal contribution of demand driven, place based regional migration reform, most importantly by looking at the distributional impact of migration.

In the absence of any identified methodology to measure the economic benefit of regional migration reform, it is difficult for decision makers and the Department to know if regional place-based demand driven migration reform provides any economic benefit in addition to simply addressing current and future workforce demand.

To this end, it is the position and recommendation of Global Adelaide that the Department of Home Affairs and the Federal Government of Australia defer its final decision on regional migration reform until BDO Econsearch has completed its full report. This report is due for release later in 2024.

A well designed regional and low population growth program would also include international education. For example, international students studying programs and qualifications in demand in regional areas and allowing students studying in designated areas unrestricted work rights would provide significant benefits. These include increasing regional population and assisting to address current and future workforce needs in regional Australia.

International students would be encouraged to study horticulture for example in a regional area. Whilst they are studying, they would be permitted to work full time for a regional employer in an industry sector directly related to their course of study. Once they have completed their qualification, they could obtain a regional 485 post study work visa whilst they satisfy the eligibility criteria for a regional provision human accumulation visa or a temporary or provisional demand driven, place-based employer nominated visa. Where the person then obtains a regional temporary or provisional demand driven employer nominated visa, they would be required to continue to live and work in a designated regional area until they satisfy the eligibility criteria to apply for a permanent demand driven visa or another permanent residency visa.

A program designed in this manner would potentially allow an international student to progress to a 485 visa, then a regional temporary visa before being eligible for permanent demand driven visa which would also require the visa

holder to remain in a regional area for a further designated area. This would potentially see the visa holder remaining in regional Australia for 6-7 years.

If the visa holder wants to live in a metropolitan visa, they would be permitted to do so upon satisfying the eligibility criteria and having a visa granted permitting them to do so.

Designing this type of program and linking a pathway for international students to study in regional areas and overtime qualify for permanent residency would ensure that only genuine applicants access Australia's regional migration programs, compared to loopholes that currently exist which openly allow and encourage international students who have studied in metropolitan areas to move to a region in order to qualify for an unrestricted permanent residency visa. Such programs cannibalise beneficial regional migration outcomes. Such loopholes also increase the perception of an underutilisation of human accumulation skilled migrants.

International students accessing loopholes to obtain residency in Australia does not maximise the economic benefits that can be gained through the Australian migration program. To this end, Australia as a nation could achieve more with a smaller migration program where the migration program is contemporary and nuanced to address current and future workforce needs in regional and low population growth jurisdictions.

Programs operated and endorsed by the South Australian Government though the subclass 491 program as outlined in the Global Adelaide 2022 submission to the migration system for Australia's future review, explain how such programs undermine the integrity of the Australian migration program.

Current regional based programs, including programs that operate in regional areas are largely unsuccessful and unnecessarily add significant burden to those employers and industry sectors seeking to access the migration program to address genuine workforce demand.

Global Adelaide does not support nor endorse the use or access to the Australian migration program as an alternate to training or employing local workers, however, where workforce demands cannot be met by the local workforce, employers in regional areas should be able to access a regional migration program to assist with addressing current and future workforce demand.

A demand driven purpose built regional, place-based migration program would provide better outcomes than the how the 491 visa program has been operating in regional areas as can be seen when looking at previous iterations of the South Australian State Government 491 program and eligibility criteria.

One of the biggest challenges that is frequently raised as a concern by key stakeholders pertains to prescriptive occupational lists and that occupational lists are not keeping up with emerging occupations. It should be noted that whilst many criticise the use and structure of ANZSCO, the challenged faced with ANZSCO is the way it is used by the Department of Home Affairs and others. For example, the removal of "Not Elsewhere Classified" (NEC) occupations throughout the occupational lists removes and restricts the use of the NEC occupational classifications to address emerging occupations, or occupations that are not individually or independently coded on the ANZSCO.

The easiest way to show or highlight this anomaly is to look at Production Horticulture, an occupation that is not independently coded on the ANZSCO but is independently listed on the SA DAMA (ANSZCO code 070499, skill level 3) and the Horticulture Industry Labour Agreement (ANSZCO code 070499, skill level 3). Training.gov.au list the relevant qualification for this occupation as a skill level 3, namely AHC40324 - Certificate IV in Production Horticulture, however this website aligns the ANZSCO Identifier to ANZSCO code 121616, Vegetable Grower, but if you look at that ANZSCO code and occupation, it states that the relevant qualification and skill level for a vegetable grower is a bachelor degree or higher qualification. Despite this, the structure of ANZSCO correctly identifies and capture this occupation under ANZSCO 399999 Technicians and Trades Workers nec, with the relevant qualification being a Certificate IV, however, this is not how the Department of Home Affairs allows the ANZSCO to be correctly used or accessed as intended. The inability to access NEC codes across skill level 1, 2, 3 and 4 restricts access to the migration program for jobs/occupations that are emerging or are not independently coded on the ANZSCO. This is set out and explained in detail on the ABS ANZSO website and can be found contained in the "[Conceptual basis of ANZSCO](#)" explanatory statement.

Changing regional migration programs to address demand and increase the integrity and operation of the Australian migration program is not the challenge or not hard to design, changing the program to meet the needs of regional Australia is very easy, the challenge has always been the lack of evidence and data supporting the benefits of regional reform and regional migration programs designed to address and meet demand. Whilst a methodology is being refined by BDO Econsearch, I contend that this should be considered as part of this regional review and referred to the Office of Impact Analysis in addition to any other proposed national or regional reform considerations for a detailed impact analysis to be undertaken by the Department of Prime Minister and Cabinet prior to any further immigration reform developments, announcements, or implementation.

Given the significant impact of national immigration reform, I contend that a full and comprehensive assessment of immigration reform be undertaken by the Office of Impact Analysis, rather than an internal assessment being conducted by the Department of Home Affairs and certified as a process and analysis equivalent to an Impact Analysis (IA) as was the case with The Migration Strategy, released on 11 December 2023 which drew on the key findings of the 2023 Migration Review of the Migration System. An internal process and analysis completed by the Department of Home Affairs is not independent and could be perceived as conflicted when the overarching premise of Australia's skilled migration program is to enhance and maximise the fiscal benefits through attracting highly skilled, high-income migrants to Australia which negatively impacts outcomes to regional and low population growth jurisdictions.

Mark Glazbrook
Global Adelaide



Addressing South Australian Skills Shortages through Migration.

Skilled Migration Growth Group (SMGG) submission to the Department of Trade and Economic Development – May 2010

Mark Glazbrook, Chair SMGG

Forward

This paper has been created and developed by a group of South Australia key industry representatives to address concerns about skills shortages and what action can be taken to address and eliminate this situation.

Introduction

This paper seeks to discuss the question of what can be done to address skills shortages where there is a genuine and recognised shortfall in the total number of skilled workers and local graduates versus the numbers actually required in the workforce.

Summary

Skill shortages occur as a result of the following formula:

Current Skilled Work Force (CSWF)
Locally Trained Graduates (LTG)
Required Skilled Work Force (RSWF)
Skill Shortages (SS)

$$\text{CSWF} + \text{LTG} - \text{RSWF} = \text{SS}$$

Skill shortages both retard and restricts growth and as a consequence negatively impacts upon productivity, employment and training opportunities and will have a long term impact on business ability to grow and expand. This is substantially compounded over time with the effects of these shortages creating ongoing limitations on business and trade.

Additionally, skill shortages allows and encourages interstate competition to enter into our market.

We need to ensure that our State based skilled migration program is targeted to those who are not only in demand now, but also in those areas that research indicates will be in demand in the coming years.

Who are the participating members of the SMGG

The SMGG currently consists of the following key industry groups and individuals

- Air Conditioning & Mechanical Contractors Association – Chris Rankin
- Master Builders Association – David Callan
- Plumbing Industry Association of South Australia – Andrew Clarke
- Civil Contractors Association – Peter Nolan
- Planning Institute of Australia – Andrew Robertson
- Engineers Australia – Caroline Argent
- Australian Institute of Quantity Surveyors – SA – Sossy Msomi
- Australian Institute of Architects – SA Chapter – Richard Hosking
- Australian Nurses Federation – Elizabeth Debars
- Restaurant & Catering SA – Sally Neville
- Motor Trade Association of SA – John Chapman
- Australian Hotels Association – Ian Horne
- South Australian Chamber of Mines and Energy – Antonia Mertiris
- Technology Industry Association – Steve Adcock
- Built Environment Design Professions – John Held
- The Hon Christopher Pyne MP, Shadow Minister for Education Apprenticeships and Training
- Jenny White, Migration Solutions
- Mark Glazbrook, Migration Solutions

Who and what is the SMGG

The SMGG is a collective group representing key South Australian industries, employers and associations. The SMGG has been established to ensure that South Australian employers, industry and association members are able to gain access to suitably skilled migrants in order to help address skilled shortages being experienced from within the local labour market.

Changes to Australian immigration policy, including the general skilled migration (GSM) program, is seeing a shift in focus away from traditional GSM and temporary employer sponsored 457 visa applications to permanent employer sponsored migration and State based skilled migration programs.

The SMGG is looking at ways to address the gap that is being experienced from within the local labour market. We have identified both existing and ongoing projected skill shortages and are looking at how skilled migration can fill the gap. Fundamentally, this requires State Government to consult with and listen to local employers, industry and association groups in order to create additional and more focused opportunities. This also requires a commitment from the State Government to make recommendations on behalf of local employers, industry and association groups to the Minister of Immigration and Citizenship and to push for the creation of programs where there is clear evidence that such will directly benefit and increase South Australia's migration outcomes.

Currently there are no existing Government Departments conducting such relevant research nor any other industry groups established with the sole focus encapsulated by the SMGG.

Background relating to Skilled Shortages in South Australia

Skilled shortages are an issue for many industry groups both now and into the foreseeable future with a number of major projects planned to commence in the coming months and years. When this is compounded with competing industry sectors such as defence and mining and coupled with the State Governments population policy, it is easy to see that skill shortages is an issue that needs to be addressed immediately with a view of increasing the percentage of (targeted) skilled migrants that choose South Australia as a destination.

The SMGG does not advocate that a revised State specific migration plan or program should ever be considered as an alternate to or replacement for locally trained residents, rather they see it as a way to compliment the existing and proposed work force to meet any short fall that may exist.

Historically South Australia attracts about 6% of the migration program, even though we make up approximately 8% of the total population of Australia. In real terms South Australia only attracts approximately 3000 primary skilled migrants annually, the remainder of the program consists of family members of skilled migrants, plus a range of non economic migrants, namely parents, spouses and refugees.

South Australian Skilled migrants are, in the main, draw from;

Professionals	1901
Trades	692
Managers/Administrators	207
Associate Professionals	165

When looking at the 10 top occupations in 2008-09, these categories (when based on the South Australian average of 6%) are further split into,

Accountants	374,
Computing Professionals	232,
Registered Nurses	201,
Cooks	128,
General Managers	91,
Mechanical Engineers	71,
Civil Engineers	69,
General Electrician	54,
Hairdressers	52,
Marketing Specialist	52

(Source; Report on Migration Program 2008-09 – Financial Year to 30 June 2009
(Department of Immigration and Citizenship (DIAC)))

Out of a total program for the 2008-09 financial year 114,777 permanent "Skilled" migration visas were issued by DIAC. Of this number 38,026 were granted via Employer Sponsored, 7,397 via Business Skills and 69,153 via the General Skilled Migration or GSM program.

Importantly it should be noted that these numbers represent the total numbers of visa issued, rather than the total number of primary applicants. 6% of 114,777 equals approximately 6886 total visa granted under this combined program. 6886 divided by an average family unit of 2.4 equals a total number of 2869 primary skilled migrants settling in South Australia, of which 1728 are derived from the GSM program.

This is not a significant number when we look at local skill shortages and our aging population.

South Australia must do more to attract a greater number of highly skilled "economic" migrants who will provide an economic stimulus to the State economy and more importantly allow South Australian businesses to remain competitive on a national and global basis. The recognised shortage of skilled workers in South Australia will continue to have a negative impact on business and reduces the capabilities of many industry sectors. This has and will continue to have an ongoing impact on local business and their ability to compete against national competitors in the market place. Examples of this can be seen at the SA desalination plant and the northern express way.

Skill shortages, in addition to an aging work force, will hold back local enterprise. Whilst training is being provided locally, realistic outcomes delivered from training programs fail to meet industry demand and as such the gap between actual needs and deliverable outcomes is widening.

As an example, we (Migration Solutions) have assisted a local southern based electrical firm, they have found it increasingly difficult to fill skilled shortages from within the local labour market. Changes to the subclass 457 program and changes to the GSM program have dramatically cut the number of skilled migrants eligible to enter Australia via these programs in addition to creating more red tape for applicants and employers. As a result there are now less skilled migrants in trade based occupations arriving in South Australia. Discussions with this employer have highlighted a common issue being faced by local employers. As a result of skilled shortages and additional barriers to the skilled component of the migration program it is becoming increasingly difficult to meet their customer's needs.

This situation will continue to limit growth opportunities for this particular business. Whilst it is open to the company to employ additional apprentices, the company have been informed that they are unable to do so as the ratio of skilled employees to apprentices/trainees has been met. They physically cannot expand. The lack of an ability to recruit internationally will limit and impede such business growth opportunities. Growth for the business would result in gaining additional employment and training opportunities.

This is not an isolated case as skill shortages continue to impact upon the commercial viability of many local businesses.

The real benefit of State and Federal Government spending, may not be realised to its full potential for South Australia if a large percentage of capital work projects are undertaken by interstate businesses. This will have a compound effect on local business and enterprise.

Our concern is that skill shortages, affecting local businesses, will result in many interstate businesses and companies taking a lot of opportunities away from local businesses. Whilst competition in the marketplace is good, many local businesses simply cannot compete with interstate companies when we are talking about total capabilities.

The longer skill shortages continue to impact on and affect local businesses, the more dire the ongoing impact will become.

How the SMGG can assist the State Government to address skills shortages in SA

The State Government, via the Department of Trade and Economic Development (DTED) and Immigration SA need to work in a more collaborative way with industry, specifically the SMGG who can continually monitor and identify deficiencies from within the local labour market and identify employment trends that may occur from time to time as a result of economic changes and changes within the Australian migration program.

Migration Solutions Pty Ltd. Incorporating Dick Glazbrook & DGA Consultants
Level 1, 19 Market Street Adelaide SA 5000
GPO Box 2051, Adelaide, SA, 5001
Phone: +61 8 8211 8597 Fax: +61 8 8211 8381 Mobile: 0400 990 772
Email: admin@migrationsolutions.com.au www.migrationsolutions.com.au

Registered Migration Agent Numbers 0100185, 0358141, 0540251, 0641204, 0107289, 0657006, 0701283
Members Migration Institute of Australia
ABN 59 086 722 607

Current statistical data provided by the Department of Education, Employment and Workplace Relations (DEEWR) on skill shortages is collected and compiled based on advertised vacancies. What the list does not include are those occupations that are listed and sourced in other mediums other than print or electronic media. As a result employment opportunities or vacancies listed or sourced via direct employment of candidates, internal advertising, positions placed filled and sourced via recruitment companies and other mediums are not included in DEEWR statistics.

DEEWR statistics do not provide any specific information of projections of employment and unemployment trends. DEEWR statistics can also be flawed and swayed where one position may be advertised on multiple occasions – such as we may see within the hairdressing industry where employees are very transient. In this situation it is plausible that the same job may be advertised, filled and then re-advertised on a number of occasions in the one reporting period.

The SMGG can provide the government with a range of industry specific information that is far more current and pertinent to that which is currently provided by DEEWR. DEEWR statistics are in the main historical and can be factually incorrect and misleading. Formulating a state based migration program designed to attract skilled migrants determined to be in demand by DEEWR statistics is fundamentally flawed. The ongoing implementation of state based programs and lists of occupations in demand – without key industry specific consultation via the SMGG is irresponsible and not reflective of, or representative of, real current needs and projected industry requirements.

Research undertaken by key industry members indicate that a significant number of skill shortages exist in areas and occupations that are not adequately represented on existing State Government lists.

Key Recommendations

1. Expand eligible occupations to meet 2nd working holiday visa criteria to include occupations within the AHA and Restaurant and Catering sectors from within SA,
2. Increase maximum qualifying age of working holiday visa to 45.
3. Expand list of occupations for regional sponsorship program, ASCO 5-7, for State based GSM sponsorship programs,
4. Implement a program to assist SA employers to access ASCO 1-4 occupations not currently appearing on the SOL, mirroring RSMS policy,
5. Accept letters of appointment/support from industry bodies for "off list" GSM sponsorship applications, in addition to current guidelines,
6. Conduct a meeting/forum with all SMGG and interested employer/industry groups to discuss expected trends of employment/unemployment and training outcomes,
7. Develop a more dynamic list of occupations in demand that is in line with industry requirements and specific projects or programs,
8. Ensure any capping of occupations listed in demand in SA is in line with industry requirements,
9. Create a specific skills in demand board to comprehensively look at skills issues facing metro and non metro South Australia (SMGG to facilitate)
10. Use projected outcomes (in addition to historical data) to compile occupations list of occupations in demand,
11. Re introduce regional 457 program for ASCO 5-7 occupations,
12. Re introduce regional 457 program for regionally based salary levels,
13. Increase the age limit from 45 to 50 for GSM applications in regional and low population growth areas of Australia, mirroring RSMS policy,
14. Ensure there is consistency between off shore and on shore GSM programs,

15. Introduce and expand State based incentives to attract and retain more economic migrants to South Australia. (One such model could include the implementation of a refundable bond or tax incentives for new migrants that remain in South Australia for a minimum period of time)
16. Set realistic and accountable targets to increase the skilled and economic component of our State migration program from 6% of the national figure to around 10% of national figure in the next 5 years,
17. Hold "off shore" promotional activities focussed on specific industry sectors in areas likely to deliver high outcomes,
18. Work with skilled migrants, employment and industry groups to facilitate participation in courses required for obtaining licensing, ensuring that skilled migrants are job ready and can commence work in their occupation upon arrival in South Australia.
19. Retain our "Regional" status and ensure that such status is not diminished by introduction of alternate migration pathways,
20. Retain existing pathways for international students to apply directly for permanent residency via the Regional Sponsored Migration Scheme (RSMS) program,
21. Work with education providers and SMGG members to ensure that areas and occupations in demand which face skill shortages are being targeted with relevant courses and structured pathways to transition graduates into the local workforce exist.
22. Hold open discussions regarding how the State can cater for and cope with an increased population.
23. Replace old and outdated infrastructure with cutting edge technology that would reduce greenhouse gas emissions and our carbon footprint, with the help of a larger more skilled population.
24. Actively promote the tangible benefits of economic migration and of a larger more highly skilled population in South Australia.

Current Global Opportunities

The current state of the global economy, as a result of the GFC presents a number of generational or once in a generation opportunity for South Australia with regards to attracting highly skilled migrants. There are literally hundreds of thousands of highly skilled, qualified and experienced potential migrants globally who are without work, whose personal finances have been significantly reduced and who are facing financial uncertainty for a number of economic reasons.

Many would welcome, with open arms, an opportunity to migrate to South Australia. Being the only developed nation officially not to go into recession Australia is seen as an even more attractive destination. In addition to this, the South Australian economy is showing significant growth and continued ongoing potential, not to mention excellent employment and educational opportunities. With this in mind, now is the right time to be targeting those who will compliment our existing work force and ensure that we capitalise on the significant opportunities that exist as a result of strong economic growth, federal government initiatives and anticipated growth in the Defence and Mining Sector.

We need to keep in mind that it can take well in excess of 12 months to prepare and lodge a permanent GSM visa application and up to a further 12 to 24 months for the application to be processed by DIAC. We should be looking at setting the wheels in motion now for an anticipated outcome in the next 1 to 3 year period.

As a State we have a responsibility to those who live and work here to ensure that the future remains bright and that ongoing employment and training opportunities are not lost.

Recommended action

We believe that the SMGG given its diverse and large membership should be consulted and engaged by the State Government when compiling State specific lists of occupations in demand and when discussions are held pertaining to State specific migration programs.

