



Australian Government

Australian Government response to the Joint Standing Committee on
Migration Interim and Final reports:

Australia's Skilled Migration Program

APRIL 2024

Interim Report - Recommendations

Recommendation 1:

2.76 The Department of Home Affairs should streamline labour market testing to: be less prescriptive about what constitutes labour market testing only require Medium and Large businesses to conduct labour market testing; require labour market testing for businesses headquartered outside Australia or businesses owned by someone who is not an Australian citizen; remove the requirement for employers to advertise any occupations which are on the PMSOL or critical skills lists; and remove the requirement for employers to advertise for all occupations classified as Skill Level 1 and 2 on the Jobactive website.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2:

2.80 The Committee recommends that at least until the pandemic period is over, the Department of Education, Skills and Employment and the Department of Home Affairs remove the requirement for employers to pay the Skilling Australia Fund as part of the visa sponsorship process. If the levy is retained:

- **Consideration should be given to aligning the payment of the levy to the commencement of employment of the skilled migrant or guarantee a refund to the sponsor if the application is unsuccessful.**
- **If the employer can demonstrate they have spent the same amount or more than the levy in the previous 12 months on training their Australian employees in skills relevant to their work for the employer, they should not be required to pay the Skilling Australia Fund levy.**
- **The Federal Government should establish greater transparency over the State Governments' use of funds from the Skilling Australia Fund to skill Australians.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 3:

3.113 The Committee recommends that the Department of Home Affairs be required to provide greater transparency on where employer sponsored visa applications are in the queue.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4:

3.116 The Committee recommends that the visa conditions for sponsored skilled visa holders working in industries that require migrants to work for different employers or to undertake multiple roles with the same employer to meet practices of the industry, be adjusted to allow them to work for multiple employers without making applications for new visas.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5:

3.127 The Committee recommends that the Priority Migration Skilled Occupation List be expanded urgently to include Chefs, Veterinarians, Café and Restaurant Managers and Seafarers.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 6:

3.128 The Committee recommends that the Department of Home Affairs conduct an urgent review of the Priority Migration Skilled Occupation List, in consultation with relevant stakeholders, with a view to expanding the number of occupations to better reflect the urgent skills shortages in the context of the COVID-19 pandemic recovery. The Department should give particular consideration to civil engineers, electrical engineers, motor xiii mechanics, cooks, carpenters, electricians and other roles in the hospitality, health, trades, agriculture and manufacturing sectors.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7:

3.129 The Committee recommends that the Short-term Skilled Occupation List, the Medium and Long-term Strategic Skills List and the Regional Occupation List be reviewed as soon as practicable to ensure that the lists most accurately reflect

Australia's employment challenges as the economy emerges from the COVID-19 pandemic.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8:

3.132 The Committee recommends the Government reserve places on flights and in quarantine for skilled migrants.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 9:

3.135 The Committee recommends that:

- **The Department of Home Affairs improve visa processing times for employer-sponsored visas because of the labour market needs during the COVID-19 pandemic economic recovery; and**
- **The Department of Home Affairs expedite the processing times for skilled visa holders who have remained onshore in relevant employment seeking a subsequent skilled visa or permanent residency visa.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 10:

3.144 The Committee recommends that all employer sponsored visa holders be given a clearer pathway to permanency.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 11:

4.75 The Committee recommends the establishment of a global marketing campaign to attract global talent and investment. This campaign should:

- **Target talented individuals and investors in key competitor countries; xiv**
- **Raise awareness of both the opportunities in Australia, and the migration mechanisms available to those seeking to live, work or settle in Australia; and**

- **Leverage off the work already being undertaken by the Special Envoy for Global Business and Talent Attraction.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 12:

4.76 The Committee recommends that the BIIP and GTI provide options for both automatic permanent residence and temporary visas with a clearly articulated path to permanent residence.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Dissenting Report - Australian Labor Party

Recommendation 1:

Labor members of the Committee oppose the streamlining of Labour Marketing Testing or other exemptions for business that provide incentives to put Australian workers at the back of the jobs queue.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2:

Labor members of the Committee oppose the proposed funding cuts to skills and training provided through funding to the Skilling Australia Fund.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 3:

Labor members of the Committee oppose any proposal to reserve places on flights and quarantine for skilled migrants, while 40,000 Australians remain stranded overseas.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4:

Labor members of the Committee oppose recommendations to expand the number of occupations on the skills shortage lists that would impact employment opportunities for Australians. Especially Australians looking for jobs as chefs, veterinarians, cafe and restaurant managers, seafarer, civil engineers, electrical engineers, motor mechanics, cooks, carpenters, electricians and other roles in the hospitality, health, trades, agriculture and manufacturing sectors.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5:

Labor members of the Committee oppose recommendations that mandate prioritising visa processing for businesses ahead of the hundreds of thousands of partner and parent visa and citizenship applicants waiting for their applications to be considered.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 6:

Labor members of the Committee support transparency measures that allow all visa applicants to see where their visa application is in the evergrowing visa-application queue created by the Morrison Government.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7:

Labor members of the Committee support measures that allow greater pathways to permanency for visa holders, noting that the interim report provides no advice on how greater permanency will be achieved by the Morrison Government.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8:

Labor members of the Committee call on the Morrison Government to urgently respond to the Productivity Commission report on the Migrant Intake into Australia.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Final Report - Recommendations

Recommendation 1:

2.45 The Committee recommends that building on the work of the National Skills Commission (NSC) and the Skilled Migration Officials Group, the Federal Government develop a dynamic national workforce plan. The plan would co-ordinate the efforts of State and Federal Governments to ensure Australia's persistent skills shortages and future workforce needs are addressed through Australia's higher education and vocational education systems, employment services and the skilled migration program. This plan should be regularly updated. In order to develop the plan:

- **A cross-portfolio, cross-jurisdictional interagency committee (IAC) should be established, meet regularly, and comprise decision-makers from departments and agencies, led by the NSC.**
- **The NSC and relevant data collection bodies should also develop a data aggregation system that identifies skills shortages at a regional level by occupation.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 2:

2.107 The National Skills Commission should develop a new occupation and/or skills identification system for the skilled migration program in consultation with industry to replace ANZSCO. The new system should be more flexible to adapt to emerging labour market needs, with consideration given to how the new system would integrate with other functions of government currently utilising the ANZSCO.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 3:

2.126 The Committee recommends that the Government:

- **Develop accepted definitions of acute skills shortages and persistent skills shortages taking into account:**
 - **Recruitment difficulty**
 - **Length of time the shortage has existed**
 - **Number of job vacancies and the geographic spread of vacancies**
 - **Criticality of the occupation if left unfilled (e.g. nurses and general practitioners)**
 - **Criticality of the occupation to temporary circumstances (e.g. bushfires, floods or pandemics).**
- **Provide employers looking to fill jobs on the PMSOL with more streamlined processes.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 4:

2.152 The Committee recommends that the Government consolidate the Medium and Long Terms Strategic Skills List (MLTSSL) and Short Term Skilled Occupation List (STSOL) into one list: the Skilled Occupation List (SOL).

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 5:

2.153 The Committee recommends that when the pandemic is concluded the PMSOL should be replaced by an Acute and Persistent Skills Shortage List (APSSL).

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 6:

2.154 The Committee recommends that the skills lists be regularly reviewed.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 7:

2.185 The Committee recommends that the Department of Home Affairs should change the visa conditions for the short-term stream of the Temporary Skills Shortage visa (subclass 482) to provide a pathway to permanent residency for temporary migrants.

- **All employer nominated visas should provide the option of a pathway to permanency. The length of time to permanency and the conditions involved may vary from visa to visa with, for instance, applicants in lower skilled occupations taking longer to reach permanency than more highly skilled visa holders.**
- **Conditions for permanency should continue to include:**
 - **Competent English language ability; and**
 - **Applicants should be under the age of 45.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 8:

3.30 The Committee recommends that the Government provide further concessions for temporary regional visas, including:

- **Labour Market Testing advertising can be up to 12 months before lodging a nomination application**
- **Raise the age limit to 50**
- **English language requirements at vocational English**
- **Reduction of prior experience required in occupation to 2 years and**
- **Priority visa processing.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 9:

3.45 The Government should revisit the recommendations of the Review of the Temporary Skilled Migrant Income Threshold (TSMIT) (2017) in order to increase the TSMIT. Such a change should be made with consideration of exemptions or different rates for jobs in regional areas.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 10:

3.73 The Committee recommends the Government consider changes to post-study work arrangements for a subset of international student graduates where those graduates have:

- **Undertaken a university course (or a course run by a reputable non-university higher education provider) leading to a job in an occupation with a persistent skills shortage**
- **Demonstrated excellence for instance by graduating in the top ten per cent of all graduates in their course or achieving first class honours**
- **Met relevant English language standards**
- **On graduation, worked in a job that is relevant to their field of study with a persistent skills shortage**

Such graduates would be eligible for a discount on the work experience component for permanent residency under the employer nominated scheme from three years to two years. For graduates applying for a points-based visa, additional points could be awarded for those graduates meeting the above criteria.

The Government should also consider longer temporary graduate visas of three years to provide time and flexibility for graduates to find work.

As a special integrity measure the Tertiary Education Quality and Standards Agency should undertake special and regular audits of the assessment of excellence measure to ensure standards are maintained.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 11:

3.83 The Committee recommends that Government enable intra-company transfer of executive employees of multinational companies to Australia where necessary for these companies to expand their operations in Australia. Streamlining should include an exemption from labour market testing. This measure should be subject to other strict integrity measures. Consideration should be given to whether a separate visa category is necessary to enable intra-company executive transfers.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 12:

3.112 The Committee recommends that the Department of Home Affairs update their visa processing system to ensure a more streamlined visa application process for applicants and employers.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 13:

3.113 The Committee recommends that the Department of Home Affairs undertake to improve their customer service in the skilled migration program with consideration given to:

- **Establishing industry liaison officers to assist businesses in navigating the skilled migration program and provide feedback to the Department on emerging conditions in industry**
- **Provision of a specialist triage system to provide advice on complex visa applications including**
 - **Making officials available to discuss visa applications over the phone**
 - **Allowing skilled visa applicants and employers the opportunity to correct minor discrepancies without having to restart the application.**

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 14:

4.34 The Committee recommends that the Government temporarily extend the timeframe for employers to undertake Labour Market Testing prior to nomination from 4 months to 6 months during the pandemic recovery.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 15:

4.35 The Committee recommends that the Government exempt businesses from Labour Market Testing when a 457 or 482 visa holder has been employed in the position on a full-time basis for twelve months or more and prior to their lodgement of a subsequent visa application or a permanent residence application.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 16:

4.67 The Committee recommends that employers should be exempt from paying the Skilling Australia Fund levy twice for the same applicant, or for a subsequent visa, where the employer has already paid the Skilling Australia Fund levy for that employee.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 17:

4.68 The Committee recommends that universities should be exempt from the Skilling Australia Fund levy.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.

Recommendation 18:

4.69 The Committee recommends that the Government guarantee a refund of the Skilling Australia Fund levy where the visa application is unsuccessful and where there is no evidence of fraud on the part of the sponsor or applicant.

Response:

The Government **notes** this recommendation. However, given the passage of time since the report was tabled, a substantive Government response is no longer appropriate.