

30 August 2013

Department of Immigration and Citizenship

By email: 457.LMT.consultation@immi.gov.au

To whom it may concern,

Thank you for the opportunity to make a submission to the Department of Immigration and Citizenship (DIAC) discussion paper with respect to the subclass 457 visa program, *Implementation of labour market testing in the standard temporary work visa program*.

General comments

The Chamber of Commerce and Industry Queensland (CCIQ) continues to strongly oppose the introduction of labour market testing (LMT) as part of a suite of changes that fundamentally undermine the useability of, and employer access to, the subclass 457 visa program. We consider that these new requirements represent a misconception of the importance of skilled migration mechanisms to Australian businesses, as well as how the LMT changes will operate in practice.

CCIQ believes the introduction of LMT for subclass 457 visas represents a departure from the holistic and balanced view that Australian governments have previously taken toward our skilled migration program. That approach sought to balance the need to maintain a strong emphasis on developing skills locally, to ensure that employers can access the skills and labour they need to maintain productive output, with the realities of continuing skills shortages and poor labour mobility that made it necessary to look beyond our borders for appropriately skilled workers.

The key value of the subclass 457 visa program, prior to the introduction of LMT, was its responsiveness to business need as an uncapped, demand-driven and flexible program. The changes remove many of the inherent benefits of the program and effectively stop businesses from accessing skilled labour in a timely manner when local workers cannot otherwise be found.

In particular, CCIQ is concerned that the LMT changes significantly disadvantage small and medium businesses in regional and remote locations, which generally lack the resources of their larger metropolitan counterparts.

Labour market testing for small and medium business

CCIQ considers that mandatory LMT is not necessary because it is far more cost effective for employers to source skilled workers locally, if they are able to, rather than go through the process of becoming a sponsor and employing subclass 457 visa holders. The fact that businesses *do* seek to sponsor overseas skilled workers is, of itself, an indication of the dearth of suitable applicants in their local area. Therefore, requiring businesses to advertise for a certain period will not work for such employers, and will only add to the already significant bureaucratic burden of small and medium business by piling further time and cost on to the recruitment process. Advertising is not inexpensive, particularly where doing so does not yield the intended result of finding an appropriately qualified applicant.

The notion that it is the failure of a small or medium business in a regional area of Queensland to advertise properly that causes the need to resort to the subclass 457 visa program is nonsensical: regional small and medium employers are generally limited to a localised job market, as they are unable to offer the fly-in, fly-out arrangements that have been a feature of the resources industry and which have been used to counter longstanding labour mobility problems in Queensland. Requiring these employers to engage in advertising for designated periods, particularly where they have an immediate need for staff, will only mean they are left without necessary workers for a lengthier period - leaving their business at the risk of stagnating and shrinking.

CCIQ acknowledges the point made in the discussion paper that LMT is already a standard requirement for Labour Agreements, Enterprise Migration Agreements and Regional Migration Agreements. However, our view is that these skilled migration mechanisms are designed to facilitate large scale migration to Australia where there are endemic skills shortages within a particular region or industry. Further, the costs involved in meeting requirements with respect to these agreements are spread over a number of stakeholders on the basis that they will operate to fill a significant number of positions. By contrast, the benefit of the subclass 457 visa program, prior to the LMT changes, was that it was accessible for small and medium employers only seeking to fill a small number of vacancies in their business.

CCIQ has previously suggested that Regional Certifying Bodies play an analogous role with respect to employer nominations under the subclass 457 visa program as they do under the Regional Sponsored Migration Scheme, that is, by attesting to the need for skilled migrant workers in a given area. This arrangement has operated successfully for some time, and is a more measured approach to addressing the issue of the veracity of an employer's stated need for skilled migrant workers.

Conclusion

CCIQ cannot support the implementation of measures that are contrary to the intent of the subclass 457 visa program. The LMT changes undermine the confidence of employers in the skilled migration program, and its capacity to fulfil what should be an uncontroversial, but important, purpose of helping businesses meet their skilled labour needs.

CCIQ is disappointed that the Federal Government has sought to politicise an issue of great importance to Queensland businesses. We believe that our skilled migration policy must be underpinned by a long term, balanced approach in which skilled migration is properly conceptualised as supplementing our skills and training effort to provide certainty to employer in Queensland and around the country.

Yours faithfully,



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CCIQ