



An Australian Government Initiative



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Department of Home Affairs  
Via web form

To Whom It May Concern

**RE: SUBMISSION TO THE 2024-25 PERMANENT MIGRATION PROGRAM PLANNING DISCUSSION PAPER**

I write to you on behalf of nine Regional Development Australia (RDA) Committees that make up the Northern RDA Alliance (the Alliance). The Alliance is the RDA representative group for Northern Australia, stretching from the Gascoyne in Western Australia to Gladstone in Central Queensland to the northern most points of Australia. The Alliance includes RDA Tropical North, RDA Townsville & North West Queensland, RDA Central & Western Queensland, RDA Greater Whitsundays, RDA Northern Territory, RDA Kimberley, RDA Pilbara, RDA Mid-West Gascoyne and the Indian Ocean Territories Regional Development Organisation.

The RDA network have an active and facilitative role to improve regional development outcomes, achieved through collaboration across all levels of government, private sector, and community. Invested in the economic growth and development in each of our regions, the Alliance supports the Australian Government's focus on building stronger regions, and in particular the agenda to develop Northern Australia.

For this submission, the Alliance will answer some or all the questions posed within the Discussion Paper, using our own expertise and experiences as part of living, and working in northern Australia. We draw the department's attention to our submission as part of the Northern Australia Workforce Development Inquiry [here](#) (submission 52).

We acknowledge that individual members of the Alliance may provide a submission separate to the joint submission and welcome the opportunity to further discuss any of the issues and recommendations raised and contained in the following submission.

Yours sincerely

Sonja Johnson  
On behalf of the Northern RDA Alliance  
CEO, RDA Tropical North (Secretariat to the Alliance)

# PLANNING AUSTRALIA'S 2024-25 PERMANENT MIGRATION PROGRAM - DISCUSSION PAPER

## Preamble

Northern Australia faces skills shortages that it cannot fill from domestic sources.

According to the National Skills Commission, there are several areas of skills shortages in Northern Australia. The most common shortages are for Technicians and Trades Workers, with 50% of occupations in this category assessed as being in national shortage. All occupations in the Construction Trades Workers and Food Trades Workers groups were found to be in national shortage.

Shortages were also pronounced for the Professionals group, particularly Health Professionals, with about 48% of the occupations within this group being in shortage in 2023. Shortages have also grown amongst Community and Personal Service Workers (to 24% of occupations in 2023), particularly in the health, care, and support sectors.

New shortages have emerged in 2023, concentrated among high-skilled professional occupations – such as Sales and Marketing Manager, Taxation Accountant, Biomedical Engineer, and Solicitor. There were also 266 occupations (or 29%) that were in shortage in both years. Among these, 47% were professional occupations mostly related to health, engineering, information communication technology (ICT), and science. Another 33% were occupations within various technician and trade roles.<sup>12345</sup>

These data highlight the persistent nature of many skill shortages in Northern Australia. The labour market has not adjusted quickly, for example, through real wage increases, to clear these skilled shortages. The standout problem is the persistence of shortages among Technicians and Trade Workers, though there are also persistent shortages in Community and Personal Service Workers, a range of Professionals occupations, and Machine Operators and Drivers.

[As of August 2021, the majority of permanent migrants in Australia, about 87%, lived in capital cities.](#)

This indicates that metropolitan areas are a significant draw for permanent migrants. The remaining proportion, which would be about **13%**, presumably resides in regional areas of Australia. It should be noted that the definition of 'regional' has long been an issue for northern Australia from a population planning and investment perspective. For example, the Regional Australia Institute (RAI) defines 'regional' as Ballarat, Bendigo and the Gold Coast. It would be safe to surmise that the 13% of migrants residing in regional areas are not all residing in the true regional areas, like Pilbara, Far North Queensland or Tennant Creek.

While the Alliance notes the various regional migration schemes including Skilled Regional Provision Visas, Skilled Regional Permanent Resident Visa, Regional Sponsored Migration Scheme (Subclass

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<sup>1</sup> Current skills shortages | Jobs and Skills Australia. <https://www.jobsandskills.gov.au/publications/towards-national-jobs-and-skills-roadmap-summary/current-skills-shortages>

<sup>2</sup> Skills Shortages Analysis | Jobs and Skills Australia. <https://www.jobsandskills.gov.au/data/skills-shortages-analysis>

<sup>3</sup> Key Findings - National Skills Commission. <https://www.nationalskillscommission.gov.au/sites/default/files/2022-03/SPL%20Key%20Findings.pdf>

<sup>4</sup> Occupations facing skills shortages in Australia almost doubled in past .... <https://www.theguardian.com/australia-news/2022/oct/06/staggering-occupations-facing-skills-shortages-in-australia-almost-doubled-in-past-year>

<sup>5</sup> Skill shortages - Department of Employment and Workplace Relations. <https://www.dewr.gov.au/skill-shortages>

187) and Employer Nomination Scheme (Subclass 186), the north needs stronger schemes and an increase in Visa Nomination Caps, to address workforce gaps.

**Case Example:**

*Kimberley, Western Australia*

The recent decision by the Department of Home Affairs and the Australian government to reduce the Visa Nomination Caps for WA's Nominated Migration Program has had a considerably negative affect on the Kimberley's workforce. The drop from 8,140 in the year ending 30 June 2023, to 2,350 in this current financial year is large and unexpected reduction that will negatively impact the ability of many businesses in the Kimberley to maintain and grow.

While workforce integration with the north's Indo-Pacific neighbours is well known through schemes such as the Pacific Australia Mobility Scheme (PALM), meeting annual workforce shortages with Seasonal Workers suffices only to partly meet unskilled manual positions on a short-term basis. A broader and more important need exists to fill semiskilled and skilled permanent positions with a longer-term focus on attracting workers and their families to the north.

The increase in Temporary Skilled Migration Income Threshold (TSMIT) and annal indexation that is proposed under migration review change is problematic for a significant number of the job roles especially those consistent with the ANZSCO Skills Levels 3-5. A review of the occupations consistent with ANZSCO Skill Levels 3-5 highlights that many of the lacking job roles in northern Australia are within the ANZSCO Skill Level ratings 3-5. The requirement to offer \$70K annual salary for such roles is prohibitive for SME business and creates division between the migrant and domestic workforce given differing rates. Fearing this outcome many businesses will not look toward immigration solutions; the solution is to modify the TSMIT concessions as they apply to ANZSCO Skill Level 3-5 occupations, where the agreed concessions align to at a minimum national wages rate consistent with respective job roles.

Opportunity exists to simplify the Visa and Labour agreement processes. Currently nationally, there are 10 Industry Labour Agreements, 11 DAMAs and numerous specific company labour agreements. A review of these agreements indicates they share a significant level of common Visa concessions and requirements, via the use of 482 Temporary Skills Shortage (TSS), subclass 494 Skilled Employer Sponsored Regional (Provisional), and subclass 186 Employer Nominated Scheme (ENS) visa programs.

***Primary Question: What is the ideal size and composition of Australia's 2024-25 permanent Migration Program and why?***

The Alliance supported the Australian Chamber of Commerce and Industry's recommendation to increase the permanent skilled migration planning level to 200,000 for the 2022-23 program year, noting that the level was needed to make up for population impact of net zero migration rising from the COVID border closures. These closures have a more pronounced lingering effect in the north. We note that the 2023-24 program year set the planning level at 190,000 places – this has not addressed the significant gaps found in northern Australia.

The Immigration Migration Institute of Globalisation (IMIG) recommended the ideal size and composition of the 2023-24 Migration program to be at 265,000, of which 200,000 is allocated to the Skilled stream including 15,000 places to the Business Innovation and Investment Program.

From an Alliance perspective, more than the current 190,000 places should be available for permanent migration in 2024-25 and Visa Nomination Caps lifted for northern Australia.

### ***Supplementary Question: How can migration policy settings support Australia's ongoing economic prosperity and fairness?***

Better coordination and integration of Australia's migration program with industry needs and training systems is needed. Recognition of international skills and qualifications can be unclear. An example of this is childcare workers.

Childcare worker shortages are persistent throughout the north, hampering efforts for work-ready women to re-enter the workforce and contribute to the household and economy. Childcare workers are listed as an occupation in short supply nationally and is listed in the top seven (7) percent of all occupations deemed in short supply on the Skills Priority List. However, childcare workers are not included on the Temporary Skills Shortage List and cannot access a Subclass 482 Visa to migrate to Australia.

Better streamlining of the Migration Program application process along with costs, would support industry needs in the north and be globally cost competitive. A targeted approach is needed to attract skilled and semi-skilled workers to northern Australia.

#### **DAMA Case in Point**

##### *Pilbara, WA*

The Pilbara DAMA was executed on 28 March 2022, with 66 occupations available under the head agreement. There is also age, English language, and TSMIT concessions available. Pathway to permanent residency, which is available under the agreement, is a major drawcard for skilled workers wanting to find employment in the region.

Since applications were accepted on 9 May 2022, there have been over 70 applications, plus 30 variation requests. Of these applications, there have been over 400 nominations out of the 1000 ceiling approved over the life of the head agreement.

In January and May 2023, a variation request and amendment was submitted to the Department of Home Affairs, requesting an expansion out to the Shire of East Pilbara, and requesting an additional 70 occupations be added to the approved occupation list. The approval of this variation request is still pending.

The occupations most requested under the head agreement are childcare workers, retail supervisors, car detailers, tyre fitters, and belt splicers. This shows that the occupations required, are those that keep the towns running, and provide a service function, rather than the higher-paid roles like Engineers etc.

Rio Tinto and RDA Pilbara have entered into an agreement where Rio Tinto will provide \$500,000 over five years to assist childcare operators. These Entrance Application Support Investment (EASI)

Grants are administered by RDA Pilbara, and 10 one-off grants of \$10,000 are available to childcare operators each year.

As the average weekly rent in Karratha is \$850.00, the City of Karratha has prioritised new service workers arriving under the DAMA scheme for worker housing, which assists employers who require accommodation to recruit staff through the DAMA, or individual service workers who are looking to relocate to Karratha and require affordable housing.

RDA Pilbara is currently conducting a survey in the Shire of Ashburton after numerous businesses from Tom Price enquired about the Pilbara DAMA. This survey will remain open until the end of January 2024. If enough evidence is provided, a request will be made to the Department of Home Affairs next year to expand out to the Shire of Ashburton. This would mean that the Pilbara DAMA covers the entire of the Pilbara.

To date, the Pilbara DAMA has been successful in attracting new skilled workers into the region. It has also allowed workers who have come into the country on a different working visa, to transfer over to a DAMA visa. This then allows them to continue working in their current role, and work towards permanent residency, keeping their family settled and living in the community that they have become a part of.

## **RECOMMENDATIONS**

Recommendations to the Department of Home Affairs:

1. Visa Nomination Caps in northern Australia are increased, and not decreased
2. Adopt a longer-term campaign and policy position about attracting workers and their families to the north
3. Building stronger ties with the Indo-Pacific governments to attract semiskilled and skilled workers
4. Increase the 2024-25 permanent Migration program intake to at least 200,000 places
5. Better align occupations in critical need on the Skills Priority List with the Temporary Skills Shortage List
6. Enable occupations on the Temporary Skills Shortage List access the Subclass 482 Visa
7. Streamline the Migration Program application process and reduce costs to enable the visas and timeframe for approvals, to be globally competitive
8. Consider a targeted approach to attract skilled and semiskilled workers to northern Australia
9. Offer larger concession for the TSMIT in regional areas
10. Simplify the process by offering concessions automatically within 482 Temporary Skills Shortage (TSS), subclass 494 Skilled Employer Sponsored Regional (Provisional), and subclass 186 Employer Nominated Scheme (ENS) visa programs.