



MASTER BUILDERS
A U S T R A L I A

Submission to the Joint Standing Committee on Migration's

***Inquiry into the role of permanent migration in
nation building***

March 2023



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Introduction

Master Builders Australia (Master Builders) welcomes the opportunity to make a submission to the inquiry into the role of permanent migration in nation building (the Inquiry).

Australia's population is diverse and multi-cultural. Since 1945 over 7.5 million people have settled in Australia. In 2015 nearly 30 per cent of the Australian population was estimated to have been born overseas, a high rate among OECD countries.¹

This trend is expected to continue. In the coming decades, Treasury expects migrants to be the largest source of population growth in Australia. Migration contributes to Australia's economic growth and helps offset some of the effects of an ageing population.²

The building and construction industry has a two-fold interest in ensuring an effective and attractive migration system. Firstly, the industry employs and is reliant on skilled migrants, particularly in civil engineering and construction management roles on major infrastructure projects. And, secondly, a healthy in-flow of international migrants drives demand for housing, community and commercial building activity, and civil infrastructure works.

Ensuring that Australia continues to be an attractive destination for permanent migrants, particularly skilled migrants, is critical. This will require governments to ensure the policy setting for our migration system are internally competitive and our communities continue to be vibrant, cohesive and welcoming environments.

We note the Department of Home Affairs' Review of Australia's Migration System is currently underway, and refer the Committee to [Master Builders submission to this inquiry](#).

¹ Phillips and Simon-Davies, 2017. Parliamentary Library Research Paper Series: Migration to Australia: a quick guide to the statistics. https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/3165114/upload_binary/3165114.pdf

² The Treasury, 2021. 2021 Intergenerational Report. https://treasury.gov.au/sites/default/files/2021-06/p2021_182464.pdf

Recommendations

Master Builders recommends:

- Government reforms to address planning and zoning issues that impede access to land, unnecessarily restrict urban development, and inflate land prices.
- The inquiry advocate for a simpler visa system with lower costs, quicker processing, better employment outcomes, and clearer pathways to permanency.
- Simplifying and streamlining visa pathways for international workers with qualifications and experience that already exceed minimum Australian occupational requirements.
- Less demanding English language requirements for visa holders to better align with occupational requirements
- Expanding eligibility for the post-study work stream visa to include all Certificate III and above international graduates.
- Exploring interest in and viability of an apprentice visa pilot program.

Terms of Reference

The Joint Standing Committee on Migration will inquire into and report on Australia's migration system, with reference to:

1. The role of permanent migration in nation building, cultural diversity, and social cohesion;
2. Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs;
3. Attraction and retention strategies for working migrants to Australia;
4. Policy settings to strengthen skilled migrant pathways to permanent residency;
5. Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants;
6. The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities; and
7. Other related matters that may assist the inquiry.

Urban environments and vibrant communities

Factors that support attraction and retention of permanent migrants to Australia, such as rewarding jobs, vibrant communities, urban amenity, and social cohesion, also enhance life for Australians. In particular, the quality of urban and regional planning and housing affordability impact the living standards of both Australian citizens and migrants.

Migration will be the largest source of population growth in the coming decades. This will expand demand right across the spectrum of building and construction activity, from residential home building through to infrastructure as well as building in the non-residential space. When it comes to residential building, higher volumes of inward migration tend to have a disproportionately strong effect on demand for higher density homes.

State, territory and local government planning agencies have a responsibility to ensure that increasing urban density is well planned so as to add to, rather than detract from, urban amenity – the ease with which urban areas can be enjoyed by their residents. High urban amenity fosters vibrant communities for everyone and generally results from efficient transport systems, affordable housing, and the adequate provision of community and commercial infrastructure, including for education, health, social and community activities.

Addressing housing affordability will make it easier to sell Australia as a destination for overseas migrants. For most working households, housing costs absorb a very substantial portion of their budgets. For this reason, a market where housing affordability is difficult will face a bigger struggle to attract the workers it needs from other places. On international surveys of housing affordability, major Australian cities generally rank amongst the most expensive on the globe. While outside of the scope of this inquiry, Master Builders has consistently called for policy changes to reduce the cost of building new homes and for the obstacles which stifle their creation to be tackled.

To improve urban environments and housing affordability, governments need to:

- Release sufficient land for development
- Reform land zoning to increase land use flexibility and urban density
- Ensure adequate infrastructure that allows for a growing population to be affordably accommodated. The model for funding infrastructure (e.g. developer contributions) must not place an undue burden on economic activity.
- Ensure social, community and recreational buildings make our cities more pleasant places to live and spend time in.

Attracting and retaining international workers

Australia is an attractive destination for international migrants and needs to maintain this status. In an environment of increasing competition for international talent Australia risks falling behind comparable countries due to complexity, cost and delays in our migration system, and other governments taking pro-active steps to attract international talent to their shores.

Recognition of comparable international qualifications and experience, particularly for trades, is needed. Trades recognition assessment processes are marred by lengthy delays. Where it is established that a particular countries standards are comparable or exceed Australian requirements a trade recognition assessment should not be required.

Australia is a popular destination for international students. International graduates from Australian institutions should be encouraged to remain in Australia and have a clear pathway to permanency. The range of qualifications eligible for graduate visas should be expanded and all visas extended to four years.

Migration directly supports Australian businesses to meet their workforce needs and maximise their outputs and productivity – this is particularly the case in the current environment of low unemployment and high participation where the domestic labour supply is insufficient to meet demand.

Pre-covid, Australia ranked as a highly desirable country for international migrants. The OECD's Indicators of Talent Attractiveness³ ranks countries based on seven determinants of attractiveness: quality of occupations, income and tax; future prospects; family environment; skills environment; inclusiveness; and quality of life. In 2019, Australia came out top of the list for highly qualified workers followed by Sweden, Switzerland, New Zealand and Canada. However, Australia did not make the top five for attracting entrepreneurs (7th) or university students (6th).

The OECD report also identified that a country's policies play an important role in their overall attractiveness and that most countries could jump to the top of the attractiveness list if they adopt more favourable policy settings. While more recent analysis isn't available, it is likely that Australia has slipped down the ranks due to strict covid border closure, slow reopening, visa processing delays, and proactive initiatives by other countries.

Increasing demand for skilled migrants means we need to be a more attractive destination for migrants than comparable countries such as the UK, US, New Zealand, and Canada. The government is taking steps in the right direction by increasing visa processing capacity, but more can be done.

³ OECD, 2019, Migration Policy Debates, No 19 2019

Feedback from a construction sector employer in Victoria:

“It’s easier and quicker to go to other countries. I have just lost a guy from Chile as he can go to Canada much easier than here. I can’t blame him as the hoops we have had to jump through here are painful.”

Australia's migration system is complex, expensive, and slow. This inquiry needs to advocate for a simpler visa system with lower costs, quicker processing, better employment outcomes, and clearer pathways to permanency.

Recognition of international qualifications and experience

For trade and licensed occupations recognition of international qualifications and experience needs to be strengthened and streamlined.

Work is needed to identify pathways that are comparable to or exceed Australian occupational licensing requirements. For example, some trade apprenticeships in the United Kingdom are of a higher standard than their Australian equivalents. In situations like this, the migrant in question should be granted the relevant Australian visa automatically – they are clearly qualified to do the job. However, the current system obligates the visa applicant to endure a set of trade or skills recognition assessments. Changing these rules will speed up processes, reduce red tape and costs, and make Australia a more appealing destination for these workers.

Additionally, English language requirements for skilled visas should be set commensurate to the level of English required for the occupation, or class of occupations. For example, a journalist needs a much higher grasp of the English language than a bricklayer. However, under the current system both need to achieve the same minimum standard of English (a 'competent' grade) to progress their visa application. We have received feedback from employers that requiring English at this 'competent' level is prohibitive and unnecessary for many construction trade occupations and that functional English would be a more appropriate requirement.

International students to permanent residents

Australia's highly regarded tertiary education system (both vocational and higher education) and enviable lifestyle factors make us a popular destination for international students. At present, many international students permanently leave Australia after graduating. This represents a leakage of valuable skilled labour from our economy. Eligibility for graduate visas should be widened in order to improve the retention of international students.

At present, visas for international graduates from Australian institutions preference higher education graduates. Below-bachelor level qualification holders must meet additional eligibility requirements and can only access shorter duration visas. This is despite key vocational occupations such as construction trades, aged care workers and nursing staff being in acute and systemic shortage.

Master Builders advocates for a level playing field for international graduates from Australian institutions. The eligibility for the post-study work stream visa should be extended to all Certificate III and above graduates.

In addition, we note concerns with international study pathways for Certificate III trade qualifications that should be addressed. At present foreign nationals are not able to undertake an apprenticeship in Australia. However, they can complete a Certificate III trade qualification and depending on course duration apply for a graduate visa upon completion.

However, employability in their chosen trade is inhibited as they lack the experience gained through an apprenticeship resulting in visa holders working below their education level as a labourer, in a different industry, or being unemployed. This outcome is not beneficial for the visa holder, Australian employers, or income tax revenue.

Feedback from an employer in Victoria's construction industry:

“With kids from another country, why can't we put them through an apprenticeship like the locals? They get sponsored, go to training, and the other days they work on the job. This would give them the skills they need and businesses the workers they can't get... This is more beneficial to all.”

To determine the viability of an apprenticeship visa pathway and the attractiveness to both employers and migrants, an apprentice visa pathway should be piloted. Under the proposed pilot, neither the apprentice nor the employer would be eligible for government funded apprentice incentives or course subsidies, and the apprentice would have the same work rights and conditions as Australian apprentices.

Contact

Master Builders welcomed the opportunity to contribute to the inquiry into the role of permanent migration in nation building.

If the Committee has any questions or would like to further discuss any of the points raised in this submission please contact:

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Master Builders Australia

Master Builders Australia (Master Builders) is the nation's peak building and construction industry association. Master Builders' members are the Master Builder state and territory associations.

Over 130 years, the movement has grown to over 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association that represents all three sectors of the industry – residential, commercial, and engineering/civil construction.