



**MASTER BUILDERS**  
AUSTRALIA

## Australia's 2023-24 Permanent Migration Program

Master Builders Australia submission to the  
Department of Home Affairs, 9 January 2023

Master Builders Australia welcomes the opportunity to provide input to the Department of Home Affairs' planning for the 2023-24 permanent Migration Program.

This submission addresses the need for elevated skilled migration to meet acute workforce shortages, maintaining the attractiveness of the migration system, and leveraging longer-term migration planning to improve outcomes.

### Migration can help address workforce shortages

The number one business issue we are hearing from employers is workforce shortages. Businesses are screaming out for workers. The demand is there, but with low unemployment and high participation there simply isn't the available supply within the domestic workforce.

In October 2022 the ABS estimated there to be 453,900 unemployed people in Australia, an unemployment rate of 3.4 per cent – the lowest on record. Concurrently the participation rate, at 66.6 per cent, is at a near record high.<sup>1</sup>

With an estimated 470,900 job vacancies in Australia in August 2022<sup>2</sup> there are more jobs available than there are unemployed people. Mismatches in location, education and experience requirements, as well as other factors mean employers cannot fill vacancies with Australian workers.

Migration is the key policy lever available to address workforce shortages that cannot be filled by Australians. Skilled migration positively impacts business investment and productivity. It will play an important role in helping Australia to navigate the challenges and opportunities that lie ahead. Skilled migration introduces new skills into the Australian workforce, raises the skills of the existing workforce through the transfer of knowledge and expertise, and enables emerging approaches to work and industries to leverage international capability.

On average, skilled migrants have a larger positive fiscal impact over their lifetime (estimated at \$198,000 net present value (NPV) per person) than other migrant streams (family stream -\$126,000 NPV per person, and humanitarian stream -\$400,000 NPV per person) and the Australian born

<sup>1</sup> ABS, 2022. 6202.0 Labour Force, Australia

<sup>2</sup> ABS, 2022. 6354.0 Job Vacancies, Australia

population (-\$85,000 NPV per person). Within the skilled stream, employer sponsored visa holders have the highest positive lifetime fiscal impact.<sup>3</sup>

Given the need for additional workers and the positive lifetime fiscal impact of skilled migrants, particularly employer sponsored skilled migrants, this visa stream should be prioritised.

**Employer sponsored visas deliver the best outcomes for the individual, for the business and for the economy. Employer sponsored migrants are more likely to be employed at the skill level commensurate to their education and experience, and at higher wages.**

**Master Builders recommendation 1:**

**The 2023-24 cap for permanent skilled migrants should be no less than 200,000 with at least 75,000 of these places allocated to employer sponsored visas.**

## **Australia's migration system needs to be simpler, quicker and less costly**

Ensuring Australia's migration system is attractive to both migrants and employers is critical. While Australia is and will likely remain a desirable destination for migrants, increasing global demand for skilled workers means that to attract the cream of the crop Australia needs to be more attractive than comparable countries such as the United Kingdom, United States, New Zealand and Canada.

There are a wide range of factors that influence the attractiveness of Australia's migration system to migrants and potential employer sponsors. Master Builders, in [our submission to A migration system for Australia's future](#), identifies a range of opportunities to improve attractiveness such as reducing visa costs, speeding up processing times and simplifying the system for both migrants and employers.

Migration planning and processes contribute to the attractiveness of Australia's migration system. Variable visa caps, complex systems and requirements, and processing delays are discouraging migrants and need to be addressed.

Master Builders recently received this feedback from a Victorian employer:

***"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."***

The annual process to review and decide the size and composition of the Migration Program allows it to be adaptive to emerging labour market needs and global conditions. However, it also introduces uncertainty for potential migrants and sponsors, and allows the system to be influenced by political ideologies.

As noted in the discussion paper Canada has three-year planning cycles for immigration levels and in the United States levels are set under legislation.

<sup>3</sup> The Treasury, 2021. The Lifetime Fiscal Impact of the Australian Permanent Migration Program. [https://treasury.gov.au/sites/default/files/2021-12/p2021-220773\\_1.pdf](https://treasury.gov.au/sites/default/files/2021-12/p2021-220773_1.pdf)

Longer-term migration planning with size and composition levels publicly available will improve certainty for stakeholders.

- Potential migrants and employers will be assured that overall planning levels and composition will not suddenly change.
- Governments at all levels will be able to improve infrastructure planning and resourcing. For example, the pipeline for land releases and rezoning is protracted and lags population needs.

Options to ensure the system remains flexible to emerging needs could be incorporated into the system. For example, Australia could have a ten-year rolling migration plan which provides indicative levels for years four to ten; minimum size and composition for years two and three with levels able to be increased by up to 10 per cent to meet emerging needs; and set size and composition for the coming year.

#### **Master Builders recommendation 2:**

**The Department of Home Affairs work with the Centre for Population and Jobs and Skills Australia to develop a rolling ten-year migration plan.**

Master Builders welcomed the opportunity to provide input to this consultation.

If the Department of Home Affairs has 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 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.

Australia's building and construction industry comprises 1.24 million workers across more than 445,000 businesses. In 2021-22 work undertaken in the building and construction industry totalled \$217 billion.