

# **Business SA Submission:**

State-Nominated
Occupation List: Industry
Skills Requirements

April 2018





# **Executive Summary**

Skilled migration is essential to South Australia's economic development, this simple truth cannot be shied away from. South Australia is facing considerable population pressures with a growth rate less than half the national average and the South Australian Government needs to take steps in response. Skilled migration allows South Australia's businesses to satisfy demand, invest, grow and also educate and upskill the local work force. Such growth benefits all South Australians.

The State-Nominated Occupation List, and the visas available to up to 2,400 skilled migrants in these nominated occupations, are a vital driver of South Australia's economic future. Business SA has consulted widely, these consultations have revealed ongoing shortages of skills across a range of industries and occupations; many of which appear on the current State-Nominated Occupation List.

The State-Nominated Occupation List and Supplementary Skilled List cover 470 occupations considered in shortage; none of these should be removed from the next iteration of the list. Further, the Department of State Development should apply a realistic threshold when considering additional occupations. This approach will ensure South Australia is well-positioned to nominate skilled migrants to work in whichever industries face skill shortages in the near future.



## Introduction

Business SA, South Australia's Chamber of Commerce and Industry, was formed in 1839 and has approximately 3,500 members across every industry sector, from micro businesses right through to listed companies. Our members employ some 140,000 South Australians. Business SA is a not-for-profit business membership organisation which advocates on behalf of members and the broader business community for sustainable economic growth in South Australia and the nation.

Population pressures are already impacting South Australia and a whole of government response is required. Population growth, particularly in the working age population, is essential to support South Australia's future. Already too many young South Australians leave the state to pursue opportunities in other jurisdictions; between the September quarter 2012 and the June quarter 2017 persons aged 25-44 made up the majority of persons leaving South Australia.¹ Not only does this rob South Australia of its best and brightest young workers, it is also contributing to South Australia's weakened presence at a national level; South Australia will lose 1 seat in the House of Representatives at the next federal election.

Business SA is interested in the Department of State Development's quantitative labour force analysis as it presents a significant opportunity for a great many of our members and the wider business community in South Australia. Skill shortages hinder business growth and make it harder for local businesses to compete at state, national and international level. Further, as indicated above, population pressures are already impacting South Australia and proper policy responses are required. Skilled migration, such as through statenominated migration programs, are an integral driver to address South Australia's population pressures.

Business SA strongly submits the primary focus of this consultation should be to add new occupations to the State-Nominated Occupation List (SNOL) whilst also maintaining the current list of nominated occupations. Where skill shortages exist for occupations on the State Nominated Occupation Lists (Supplementary Skilled List) (SSL) these occupations should be moved to the SNOL. The SSL imposes additional requirements on visa applicants which limit the ability of appropriately skilled people to migrate to South Australia when compared to the SNOL. This approach disadvantages both the appropriately qualified person, who due to their circumstances does not otherwise meet the additional eligibility criteria, and limits the ability of local employers to fill skill shortages. To this end, while sound evidence is stated as a requirement for a new occupation to be considered, the Department of State Development should apply a realistic threshold. Those in industry know what skills they require; beyond reporting these shortages they should not be expected to take time out of running their business to provide extensive evidence. South Australia needs all the skilled people it can attract; policy decisions should not make it harder for skilled migrants to settle in South Australia.

<sup>&</sup>lt;sup>1</sup> ABS, 3101.0 Australian Demographic Statistics; ABS 3412.0 Migration, Australia.



# **Occupation specific submissions**

1. Given Business SA represents a diverse range of industries and businesses the following submissions relate to a mixed group of occupations. For convenience, these submissions are separated by general industry. These submissions are based on input from members, local businesses best placed to identify skill shortages affecting their industry, as well as Business SA's own research. The majority of the below submissions relate to occupations currently on the 2017-18 SNOL or SSL. This demonstrates the ongoing need for these occupations and the risks which could arise if occupations are removed from the 2018-19 SNOL/SSL. Business SA submits all occupations listed below should be added to, or retained in, the 2018-19 SNOL.

## **Agriculture, Forestry and Fishing**

## **Arborist**

- 2. Business SA submits the Arborist (362212) occupation should remain on the 2018-19 SNOL. Members have reported long-standing shortages for skilled arborists in South Australia.
- 3. The capacity of South Australia's training sector to address these shortages is significantly challenged because of the low number of graduates from training providers each year. In 2016 there were only 262 graduates from South Australian VET programs relating to occupation group 3622 Gardeners.<sup>2</sup> This is a significant fall from the 420 and 440 graduates in 2015 and 2014 respectively.<sup>3</sup> The 3622 occupation group relates to three occupations: Gardener (General) (362211), Arborist (362212) and Landscape Gardener (362213). Due to this grouping it is difficult to determine how many of these graduates were specifically skilled to work as Arborists, such as through possession of a Certificate III in Arboriculture. The shortage of Arborists was also recognised by the Department of Employment<sup>4</sup> in their 2016-17 skill shortage assessment for South Australia.<sup>5</sup>
- 4. Within the Arborist occupation, the most significant local shortage is for Climbing Arborists. Members have reported ongoing vacancies and unsuccessful job searches both in South Australia and nationally. A Business SA member reported that skilled migrants with a Certificate III in Arboriculture could fill these ongoing roles. This member also reported that they have the appropriate resources in-house to give Arborists climbing training.

#### Pig Farmer

- 5. Business SA submits the Pig Farmer (121318) occupation should be moved to the 2018-19 SNOL. In the alternative, this occupation should remain on the SSL. Members have reported difficulty in locally finding skilled and trained staff who are willing to work in piggeries.
- 6. The critical issue facing members in this industry are that quality staff, those with suitable skills, are simply not available. This reported shortage appears to be supported by national vocational education outcome statistics. The National Centre for Vocational Education Research (NCVER) reported 15 VET program completions in South Australia in 2016 for the Livestock Farmer occupation (1213). This is down from 22 in

<sup>&</sup>lt;sup>2</sup> NCVER, Vet students by industry – Occupation and industry group information – State or territory by year.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Now called the Department of Jobs and Small Business.

<sup>&</sup>lt;sup>5</sup> Department of Employment, 'Skill Shortage List, South Australia, 2016-17' Australian Government, 5.



2015 and 38 in 2014.6 It should also be noted that these figures do not state the exact occupation into which these VET program graduates entered; the general livestock farmers occupation encompasses 11 specific occupations.<sup>7</sup>

7. Skilled migration is a particularly suitable source of supply for the Pig Farmer occupation. Competent English language skills will be suitable to meet employer demand. Such skilled migrants may also boost the local population in the region near the piggery; generating broader benefits for the local community through increased demand for goods and services. Moving this occupation from the SSL to the SNOL will make it easier for local employers to provide these community benefits.

#### Construction

## **Excavator Operator, Plumber and Drainlayer**

- 8. Business SA submits the following construction industry occupations should be moved to the 2018-19 SNOL: Plumber (334111), and Drainer (334113). We further submit that the Excavator Operator (721214) occupation should be added to the 2018-19 SNOL. In the alternative, Plumber and Drainer occupations should remain on the SSL and the Excavator Operator occupation should be added to the SSL. Members have reported skill shortages for these roles, with increased demand following local industry growth unable to be met.
- 9. Skill shortages for these occupations is most pronounced in Adelaide, an area experiencing increased construction demand and anticipating more. This sector has experienced considerable growth in recent years, with average growth in total value of building jobs of 7% per year between December 2012 and December 2017 and an increase in the number of dwelling unit approvals of 4% per year over the same period.<sup>8</sup> The Department of Jobs and Small Business predicts employment growth of 5.6% for South Australia's construction industry over the five years to May 2022; the third highest growth industry for the period.<sup>9</sup>
- 10. The capacity of South Australia's local construction and plumbing graduate pool to maintain pace and meet this increased demand has been hindered by the Australian Skills Quality Authority's (ASQA) recent investigation into TAFE SA. This investigation found TAFE SA had not met required standards in relation to a number of courses, including CPC50210 Diploma of Building and Construction (Building) and CPC32413 Certificate III in Plumbing.<sup>10</sup> While these deficiencies have recently been addressed, faith in TAFE SA has understandably been challenged a situation with potentially long-lasting consequences for graduates.
- 11. Members have reported skilled migrants with trade qualifications and functional English language fluency could fill these roles. The construction industry spurs demand for a range of related industries, both for

<sup>&</sup>lt;sup>6</sup> NCVER, <u>Vet students by industry – Occupation and industry group information – State or territory by year.</u>

<sup>&</sup>lt;sup>7</sup> ABS, 1220.0 – ANZSCO – Australian and New Zealand Standard Classification of Occupations – Unit Group 1213 Livestock Farmers, 2013.

<sup>&</sup>lt;sup>8</sup> ABS, 8731.0 – Building Approvals, Australia – Value of Building Approved, By Sector, Original – South Australia; and Number of Dwelling Units Approved, by Sector, all series – South Australia.

<sup>&</sup>lt;sup>9</sup> Department of Jobs and Small Business, '2017 Projected regional employment growth by Industry – five years to May 2022', Australian Government.

<sup>&</sup>lt;sup>10</sup> Letter from Benn Gramola, Manager Regulatory Operations, Adelaide (ASQA) to Robin Murt, Chief Executive TAFE SA, 4 December 2017. See: https://www.tafesa.edu.au/docs/default-source/about\_tafesa/asqa-notice-of-decision-to-suspend-part-of-rto-scope-of-registration.pdf?sfvrsn=40d0a315\_2.



suppliers upstream and other tradespeople or outfitters downstream. Maintaining Excavator Operator, Plumber and Drainlayer occupations on the SNOL will ensure South Australia's current and future construction jobs are not hindered by labour shortages.

### **Defence**

# Various occupations

- 12. South Australia's defence and naval shipbuilding industry is set for significant and continued growth. Local businesses should be empowered to take part in this industry; a situation requiring those businesses to have sufficient workers with adequate skills. Business SA does not propose to list every occupation which is required by employers to fully address this industry's needs, nor do we propose to list every occupation which may be required in the future. Instead Business SA submits, as indicative examples, the Industrial Designer occupation (232312) should be retained on the 2018-19 SNOL, and the following occupations should be moved to the 2018-19 SNOL:
  - Construction Project Manager (133111);
  - Electrical Engineer (233311);
  - Engineering Technologist (233914);
  - Naval Architect (233916); and
  - Electrical Engineering Technician (312312).

In the alternative, the above occupations should remain on the SSL.

- 13. The shipbuilding industry, including projects to construct offshore patrol vessels, future frigates and submarines, is expected to generate numerous jobs, both directly and indirectly, in South Australia. Recent estimates have predicted 3,500 direct shipbuilding jobs and 4,550 jobs in industries directly related to shipbuilding will be created in South Australia.<sup>11</sup>
- 14. South Australian businesses are well-placed to serve this industry and share the benefits of this national project. A pressing challenge for such businesses in sharing these benefits is the lack of workers with the skills and experience required to meet strict naval standards. Recent announcements of a Naval Shipbuilding College<sup>12</sup> are an appropriate step in the right direction, however there is an inherent time-lag between students commencing their course(s) and graduates leaving the college work-ready.
- 15. Skill shortages during this training time, and positions requiring further experience, can and should be filled by skilled migrants. Local businesses should not be denied the opportunity to serve Australia's defence industry simply because they are unable to source required skills locally. The 2018-19 SNOL should accommodate all occupations which may be required to meet defence industry needs.
- 16. As foreshadowed at [12] Business SA does not propose to list every occupation which is, or may be, required by the defence industry. Instead we submit the 2018-19 SNOL, and iterations into the future, should allow nomination for any occupation reasonably likely to be sought by businesses seeking to serve this industry.

<sup>&</sup>lt;sup>11</sup> PricewaterhouseCoopers Consulting (Australia), 'What we know about the economic benefits of naval shipbuilding for South Australia' Briefing Note, October 2017, 5.

<sup>&</sup>lt;sup>12</sup> The Hon Christopher Pyne MP, 'Joint Media Release – Minister for Defence Industry, Minister for Education and Training, Assistant Minister for Vocational Education and Skills – Naval shipbuilding college to meet naval shipbuilding needs' (Media release, 3 April 2018).



Qualification level, industry experience, English language fluency requirements and so on should be determined on an occupation by occupation basis in consultation with local stakeholders.

# Professional, Scientific and Technical Services

## **Graphic Designer, Web Designer and Illustrator**

- 17. Business SA submits the Web Designer (261212) occupation should be retained in the 2018-19 SNOL and strongly submits the Graphic Designer (232411), and Illustrator (232412) occupations should be moved to the 2018-19 SNOL. In the alternative, the Graphic Designer and Illustrator occupations should be retained on the SSL. The South Australian creative industry is facing considerable growth, continued flow of skilled migration will ensure local business can compete with overseas markets such as Hollywood and Vancouver.
- 18. Nationally, future growth for Graphic Designer and Illustrator positions is anticipated to be 'very strong', <sup>13</sup> with Web Designer job growth predicted to increase at a stable rate. <sup>14</sup> These predictions are highly likely to play out in South Australia. South Australia's demand for these occupations is easily anticipated following global entertainment company Technicolor's announcement that it will launch Mill Film, a visual effects studio based in Adelaide. <sup>15</sup> It is anticipated this studio alone will lead to 500 jobs for artists and technologists.
- 19. This sector is primed for growth and local projects are creating a conducive environment. Investment Attraction SA is working to attract companies similar to Technicolor to set up in Adelaide, while the State Government's GigCity program and the Adelaide City Council's Ten Gigabit Network initiative will enable these visual effects firms to conduct operations locally whilst providing services for clients globally.
- 20. A critical reality for businesses in this industry is that firms are heavily assessed by the standard of their prior work, future demand for the business' services will be based on the quality of what they have produced previously. Applicants for roles in this industry must be extremely able. There is no doubt that migration is a suitable source of supply for these occupations. Many visual effects firms in South Australia already find it difficult to find appropriate local applicants for outstanding roles. Given these positions are highly skilled, a Bachelor degree, proficient English language skills and experience in industry is generally necessary for many roles. Appropriate migration policy settings will be integral in ensuring South Australian businesses are best placed to serve this market. Moving occupations from the SSL to the SNOL will better enable workers to migrate to South Australia and provide their skills.

#### **Education and Training**

#### Mathematician

21. Business SA submits the Mathematician occupation (224112) should be moved to the 2018-19 SNOL. Alternatively, this occupation should be retained on the SSL. This highly skilled occupation has applicability across an incredibly diverse range of industries.

<sup>&</sup>lt;sup>13</sup> Job Outlook, 'Graphic and Web Designers, and Illustrators' Australian Government

<sup>&</sup>lt;a href="http://joboutlook.gov.au/Occupation.aspx?search=Industry&Industry=M&code=2324">http://joboutlook.gov.au/Occupation.aspx?search=Industry&Industry=M&code=2324</a> (as at 3 April 2018).

<sup>&</sup>lt;sup>14</sup> Job Outlook, 'Multimedia Specialists and Web Developers' Australian Government

<sup>&</sup>lt;a href="http://joboutlook.gov.au/Occupation.aspx?search=Industry&Industry=M&code=2612">http://joboutlook.gov.au/Occupation.aspx?search=Industry&Industry=M&code=2612</a>> (as at 3 April 2018).

<sup>&</sup>lt;sup>15</sup> Technicolor, 'Technicolor Establishes Mill Film, a New VFX Company in South Australia' Press Release, 6 February 2018 <a href="https://www.technicolor.com/news/technicolor-establishes-mill-film-new-vfx-company-south-australia">https://www.technicolor.com/news/technicolor-establishes-mill-film-new-vfx-company-south-australia</a>.



22. The local demand for Mathematicians is not surprising when population statistics of STEM qualified persons are considered. 2016 research by Australia's Chief Scientist found Mathematics was the STEM field with the fewest qualified people. 16 Of Australia's STEM qualified population of 703,862, those with qualifications in Mathematics numbered only 25,669. 17 The table below illustrates Australia's small population of qualified Mathematicians as a proportion of the total STEM population. 18

Higher education qualification	STEM qualified population	Mathematics qualified population	Mathematicians as proportion of STEM population
Doctorate	53,271	2,762	5.2%
Masters degree	114,662	3,873	3.4%
Graduate Certificate/Diploma	27,761	1,074	3.9%
Bachelor degree	508,168	17,960	3.5%
	Total: 703,862	Total: 25,669	Average: 4%

- 23. STEM graduate shortages have been well publicised recently. The Chief Scientist's report demonstrates the small proportion of this population in shortage made up by Mathematicians. While the above information was published in 2016, we do not presume these proportions have shifted considerably by now.
- 24. A Business SA member in the education and training industry, an industry predicted to have employment growth of 5.8% in the five years to May 2022,<sup>19</sup> has identified their continued need for Mathematicians. Their outstanding roles are able to be filled by skilled migrants, as well as by international students studying locally. These roles would require the skilled person to hold a university degree and have proficient English language fluency. Ideally, the skilled migrant would have 5-plus years of experience in this industry.

#### **Technical Writer and Editor**

- 25. Business SA submits the occupations of Technical Writer (212415) and Editor (212212) should be moved to the 2018-19 SNOL. In the alternative, these occupations should remain on the SSL. Members of Business SA report shortages of these skills in South Australia, particularly for those with in-depth knowledge and technical expertise in areas such as technology and mathematics.
- 26. This industry provides a prime opportunity for local businesses to support South Australia's education and training industry; an industry which added \$5.8 billion worth of industry gross value added to South Australia at June 2017.<sup>20</sup> Local businesses are best placed to develop educational materials suited to the South Australian curriculum. Further, these materials are easily exportable, considerably increasing the market for local businesses. The threat created by this opportunity however, is that these local businesses face significant competitive pressure from multinational publishers.

<sup>&</sup>lt;sup>16</sup> Office of the Chief Scientist, 'Australia's STEM Workforce – Science, Technology, Engineering and Mathematics', Australian Government, March 2016, 10.

<sup>&</sup>lt;sup>17</sup> Ibid. Note these numbers reflect Australia's STEM population with a higher education qualification only.

<sup>18</sup> Data from 'Australia's STEM Workforce - Science, Technology, Engineering and Mathematics', March 2016, 10.

<sup>&</sup>lt;sup>19</sup> Department of Jobs and Small Business, '2017 Projected regional employment growth by Industry – five years to May 2022', Australian Government.

<sup>&</sup>lt;sup>20</sup> ABS 5220.0 Australian National Accounts: State Accounts.



- 27. A lack of suitably qualified workers hinders the ability for local businesses to compete. The member who reported this shortage to Business SA stated these roles have remained unfilled for years, despite national searches for suitable applicants. Skilled migration offers a method to address this skill shortage. Recent graduates, including overseas student graduates, could also fill these roles.
- 28. Given the specialist knowledge and expertise required to produce information-based material, and to edit such, a university qualification would be essential. It goes without saying that a high level of English language proficiency is also required.

#### **Proof Reader**

29. Business SA submits the Proof Reader occupation (599913) should be added to the 2018-19 SNOL. Alternatively, this occupation should be added to the SSL. This occupation links closely with our submission regarding the Technical Writer and Editor occupations above. The arguments in support of the above two occupations apply equally for the Proof Reader occupation.

## **Healthcare and Social Assistance**

## **Occupational Therapist and Physiotherapist**

- 30. Business SA submits the Occupational Therapist occupation (252411) should be retained in the 2018-19 SNOL and Physiotherapist (252511) should be moved to the 2018-19 SNOL. In the alternative, this occupation should remain on the SSL. Members have indicated a continued demand for skilled migrants to address shortages in these occupations.
- 31. Occupational Therapists and Physiotherapists have been identified as skills in shortage in South Australia. Members have these roles available but are unable to fill them. This is particularly the case in non-metropolitan areas such as the Adelaide Hills, Barossa Valley, the Far North and the Southern Districts/Fleurieu Peninsula. Members operating in these locations have explicitly noted 'Location' as a factor contributing to their inability to fill Occupational Therapist/Physiotherapist roles.
- 32. Industry growth is another factor contributing to the shortage of Occupational Therapists/Physiotherapists in South Australia. This growth is unsurprising, particularly given South Australia's ageing population; a circumstance increasing demand for local health services of all varieties. Additionally, with the introduction of the National Disability Insurance Scheme the potential demand for Occupational Therapists and Physiotherapists is anticipated to increase further. These factors appear to have been recognised by the Department of Jobs and Small Business, which predicts Health Care and Social Assistance to be South Australia's largest employment growth industry in the five years to May 2022 (predicting employment growth of 14.9%).<sup>21</sup> Local businesses should not be prevented from serving the increasing needs of South Australia's community due to an inability to fill roles with suitably skilled persons.
- 33. Members have indicated the above roles are able to be filled by skilled migrants. In making this indication, they have noted a university degree and proficient English language fluency are requirements for these roles.

<sup>&</sup>lt;sup>21</sup> Department of Jobs and Small Business, '2017 Projected regional employment growth by Industry – five years to May 2022', Australian Government.



## **Manufacturing**

#### **Sheetmetal Trades Worker**

- 34. Business SA submits the Sheetmetal Trades Worker occupation (322211) should remain on the 2018-19 SNOL. Members have reported a local shortage in Certificate 3 Sheet Metal Tradespeople. Given the importance of South Australia's manufacturing industry, it is important this occupation (and others within the manufacturing industry) remain on the 2018-19 SNOL.
- 35. Members have reported difficulty in filling available roles for a range of reasons, such as retirement of experienced staff, growth in the industry, and new roles being created due to changes in technology. This local shortage has previously been identified by the Department of Employment. The Department's December 2016 analysis of the labour market for Sheetmetal Trades Workers recognised the South Australian shortage, commenting that the vast majority of applicants do not have the skills required by employers.<sup>22</sup> The analysis also found that apprenticeship commencements in the years following 2015 were reduced and consequently fewer completions were anticipated;<sup>23</sup> an outcome now affecting the industry in 2018.
- 36. Skilled migration remains a viable response to this skill shortage. In the years leading to May 2022 an additional 4,000 job openings are predicted in this trade nationally, mainly due to workers leaving and new jobs being created.<sup>24</sup> South Australia's pressured training sector may not be able to fully sate local demand for new workers, particularly as the defence industry demand expands.

## **Other Services**

#### Hairdresser

- 37. Business SA submits the Hairdresser occupation (391111) should be moved to the 2018-19 SNOL. In the alternative this occupation should remain on the SSL. We are aware that members have difficulty filling Hairdresser roles; hindering the ability of their business to service demand.
- 38. South Australia is facing a continued shortage of skilled Hairdressers. This shortage has been recognised as recently as August 2017.<sup>25</sup> Indeed, at a national level the Hairdresser occupation was considered to be in shortage at August 2016.<sup>26</sup> Business SA has consulted members in the hairdressing industry for their experience and perspective. Members confirmed these significant and ongoing shortages; one had even advertised a role locally for three months and yet did not receive a single application. Experienced staff are retiring and there are no or few applicants to fill the role.
- 39. Members, those operating within the industry, felt the shortage was attributable to a decline in the number of VET graduates as more and more young people are attracted to the university system. Members reported a feeling that young people did not see hairdressing as a viable career path, this perception shift appears to have resulted in fewer people entering the hairdressing industry than previously. Between 2014 and 2016,

<sup>&</sup>lt;sup>22</sup> Labour Economics Office South Australia, 'ANZSCO 3222-11 – Sheetmetal Trades Worker – South Australia', Department of Employment, December 2016.

<sup>&</sup>lt;sup>23</sup> Ibid.

<sup>&</sup>lt;sup>24</sup> Job Outlook, 'Sheetmetal Trades Workers' Australian Government

<sup>&</sup>lt;a href="http://joboutlook.gov.au/Occupation.aspx?search=alpha&code=3222">http://joboutlook.gov.au/Occupation.aspx?search=alpha&code=3222</a> (as at 28 March 2018).

<sup>&</sup>lt;sup>25</sup> Department of Employment, 'Skill Shortage List, South Australia, 2016-17' Australian Government, 5.

<sup>&</sup>lt;sup>26</sup> Department of Employment, 'ANZSCO 3911-11 Hairdresser Australia August 2016' Australian Government.



total VET program enrolments for Hairdressers fell by 45% while total VET program completions for Hairdressers fell by 39%.<sup>27</sup> Business SA makes clear we do not oppose the university system and are not advocating for one higher education system over another, however this shift has made it materially more difficult for members in the hairdressing industry to fill roles.

40. Skilled migrants are a prime mechanism by which the Hairdresser shortage can be addressed. Members have reported suitably qualified migrants with proficient English language ability could be suitable candidates to fill outstanding roles. Members have experienced good results with skilled Hairdresser migration previously.

#### Motor Mechanic and Diesel Motor Mechanic

- 41. Business SA submits the Motor Mechanic (321211) and Diesel Motor Mechanic (321212) occupations should remain on the 2018-19 SNOL.
- 42. It has been recognised that South Australia has a shortage of people with the skills to occupy these occupations. South Australia has also recorded decreasing numbers of total VET program completions for Motor Mechanics occupations (3212). In 2016 there were 252 such program completions, fewer than half of the 549 completions in 2014.
- 43. Beyond this data, Business SA has also consulted with members regarding their experience with local skill shortages. Members have reported to Business SA that they have ongoing needs for motor mechanics, particularly diesel motor mechanics, which cannot be met locally. These members have consistently advertised such positions but have been unable to find suitable candidates.
- 44. Skilled migration is a prime opportunity to address these ongoing skill shortages. Members have reported their ability to work with skilled migrants to integrate into their business and have suggested that qualified migrants with at least proficient English language ability will be suitable.

#### **Panel Beater**

- 45. Business SA submits the Panel Beater occupation (324111) should remain on the 2018-19 SNOL.
- 46. We recognise previous research<sup>30</sup> has suggested this occupation is not in shortage, however recent feedback from industry suggests this research may no longer be accurate. It has been reported to Business SA that there are is a major shortage of Panel Beaters, negatively impacting their ability to meet demand. South Australia has recently been estimated to have a shortage of 115 Panel Beaters.<sup>31</sup> The primary drivers of this Panel Beater shortage (and other automotive related occupation shortages) include fewer people entering the industry as apprentices, candidates not being suitable for open positions, and competition with other

<sup>&</sup>lt;sup>27</sup> NCVER, <u>Vet students by industry – Occupation and industry group information – State or territory by year.</u>

<sup>&</sup>lt;sup>28</sup> Department of Employment, 'The Labour Market for Automotive Trades Workers in South Australia December 2016' Australian Government.

<sup>&</sup>lt;sup>29</sup> NCVER, Vet students by industry – Occupation and industry group information – State or territory by year.

<sup>&</sup>lt;sup>30</sup> Department of Employment, 'The Labour Market for Automotive Trades Workers in South Australia December 2016' Australian Government.

<sup>&</sup>lt;sup>31</sup> Victorian Automobile Chamber of Commerce, 'Direction in Australia's Automotive Industry – An Industry Report 2017' 73.



industries.<sup>32</sup> With specific regard to Panel Beaters, the lack of people undertaking apprenticeships for this occupation was expressed to Business SA during our consultation with apprenticeship support services.

47. Similar to the above submission, skilled migration is a prime opportunity to address the South Australian shortage of Panel Beaters. While efforts could and should be made to encourage more locals to undertake Panel Beater apprenticeships, local businesses require skilled workers now. Suitably qualified migrants with proficient English language skills can meet this need.

#### **General Submission**

48. In addition to the specific occupations identified above, Business SA submits the 2018-19 SNOL should accommodate all occupations likely to be needed in South Australia's growth industries. While efforts should be made to ensure local training providers can provide sufficient numbers of skilled workers to meet this growth-fuelled demand, local businesses should not be unable to cater to this growth due to skill shortages. The Department is well placed to gauge what it considers growth industries. Such industries could and should include advanced manufacturing, education and training, and healthcare and social assistance. These industries, and others recognised by the Department, should have all relevant occupations accommodated by the 2018-19 SNOL.

# Conclusion

Population pressures threaten South Australia's future and a whole of government response is required. Migration policy, such as the State-Nominated Occupation List, is an integral driver of South Australia's population growth. As stated earlier, at least the above occupations should be added to the SNOL or have their position on the SNOL maintained. Further, occupations currently on the SNOL but not directly discussed in this submission should not be removed. South Australia needs more skilled workers, Business SA members and non-member businesses have made clear their skill demands and the capacity for skilled migrants to satisfy those demands.

Should you require any further information or have questions, please contact Chris Klepper, Policy Adviser, on (08) 8300 0062 or chrisk@business-sa.com.

**Anthony Penney** 

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<sup>32</sup> Ibid.