

# Submission to Department of Immigration and Border Protection

## Skilled Migration Reforms: Maritime Industry Considerations

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## 1 Introduction

This submission is made on behalf of Maritime Industry Australia Ltd (MIAL). MIAL represents Australian companies which own or operate: international and domestic trading ships; floating production storage and offloading units; cruise ships; offshore oil and gas support vessels; domestic towage and salvage tugs; scientific research vessels; dredges; workboats; utility vessels and ferries.

MIAL also represents employers of Australian and international maritime labour and operators of vessels under Australian and foreign flags.

MIAL represents the collective interests of maritime businesses, primarily those operating vessels or facilities from Australia. MIAL is uniquely positioned to provide dedicated maritime expertise and advice, and is driven to promote a sustainable, vibrant and competitive Australian maritime industry and to expand the Australian maritime cluster.

## 2 Executive Summary

MIAL members support a robust and fair visa system that addresses industry needs, encourages investment in training and the employment of Australians.

Australian maritime employers have been adversely impacted by the accessibility of subclass 457 visas for maritime roles, as this resulted in situations where businesses using subclass 457 visas were able to bid for work and undercut employers of Australian seafarers. The concept behind the Government's 2017 changes to Australia's skilled migration system, including the abolition of the Temporary Work (Skilled) Visa (subclass 457), is therefore in the main supported by MIAL members to the extent that the changes address this significant issue.

However, the changes will have an impact on the maritime industry and in some cases it is not clear how that impact will be mitigated or addressed in order to ensure ongoing industry sustainability.

In making these submissions to the Department of Immigration and Border Protection (DIBP), MIAL aims to achieve the following:

1. To provide a briefing for DIBP on aspects and elements of the maritime industry that can be considered in making future decisions about the skilled migration system;
2. Identify areas of the changed skilled migration system that may adversely impact the maritime sector and suggest ways of remedying this;
3. Recommend changes to the visa system that would support the sustainability of Australia's maritime sector.

## 3 Maritime Industry Visa Usage

MIAL's preliminary survey of members has identified that due to the nature of the maritime sector, there is a huge diversity of subclass 457 visa ANZSCO occupational categories currently in use. These include but are not limited to the following:

- Maritime Transport Professionals NEC
- Ship's Engineer
- Ship's Master
- Ship's Officer
- Marine Surveyor
- Diesel Fitter
- Boilermaker
- Maintenance Planner
- Specialist Manager NEC
- Occupational Health & Safety Advisor

MIAL considers that there are three areas of operation which are impacted by the changes and the issues for each of these areas are different. These areas of operation are:

- seagoing roles;
- frontline operational/technical roles;
- shore-based office roles.

### 3.1 Seagoing roles

*These include Ship's Engineer, Ship's Master and Ship's Officer.*

MIAL advocates for a sustainable shipping industry in Australia. Investing in training our local maritime workforce is a key tenet of this, however, not all industry needs for this diverse sector can be met locally.

The skilled migration system needs to account for circumstances where employment of Australian residents is consistently challenging, and the present system has a number of avenues to address these circumstances. Despite these available avenues, our members have advised us that regional maritime operators who operate with small profit margins are presently very reliant on limited use of subclass 457 visas to continue their operations. Without being able to offer salaries as high as more central locations, such employers struggle to attract qualified candidates from other areas of Australia. They can (and do) then invest in training local residents, but, once qualified, such trained locals tend to look for employment in other less remote parts of the country. There may well be an existing visa category that is appropriate for use in this case, but MIAL has been unable to ascertain this.

MIAL members are aware that there are unemployed seafarers in the seagoing categories that have been removed, but that subclass 457 visas are still required when jobs cannot be filled by the local market even after multiple recruitment campaigns. We agree that the number of qualified Australians means that there is not necessarily a skills shortage, but would suggest that there needs to be an avenue for employers in the category outlined above to recruit from overseas where local and national efforts to fill the roles have failed.

- 1. MIAL requests that consideration be given to giving employers access to the TSS visa option where there is a demonstrable need that is not being met by the Australian workforce.**

### 3.2 Frontline operational/technical roles

*Visas used in this category include Maritime Transport Professional NEC, Specialist Manager NEC, Marine Surveyors.*

Despite the negligible utilisation<sup>1</sup> of subclass 457 visas for Marine Surveyors over the past years, MIAL members have observed that skilled migration visas are still an ongoing requirement for an industry already plagued by poaching due to a limited pool of highly skilled and experienced practitioners. The transition to a national system of vessel regulation in July 2018 (although it is occurring now in some states) will have a significant impact on both the industry demand for Marine Surveyors and on the availability of qualified Marine Surveyors to the general market. Vessels rely on timely and cost-effective certification to continue operations. The impact of restricted access to surveyors or delays due to high demand would be a significant economic one. Additionally, regional

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<sup>1</sup> BR0008 Subclass 457 quarterly report, 30 September 2016

operators (such as those in the Northern Territory, and some parts of Western Australia and Queensland) already experience challenges in obtaining vessel surveys.

MIAL members are rightly concerned about the removal of Marine Surveyors from the list in a period where industry demand for Marine Surveyors may sky-rocket well beyond the current available pool of qualified candidates. This would have catastrophic effects for vessel operators in continuing their operations and is an issue that could not be easily or quickly remedied by subsequent changes to the skilled migration program. It cannot be addressed through training in the short-term since there is a significant lead time involved. It takes many years of training and experience to achieve even a base level of surveying qualifications.

MIAL considers that Marine Surveyors with 5 years experience or more is the area where a shortage is most likely to be felt, and that by July 2019 we will be well placed as an industry to know whether there is an ongoing requirement for a skilled migration stream for Marine Surveyors.

- 2. MIAL requests that consideration be given to including a Senior/Principal Marine Surveyor on the STSOL until at least July 2019 or in the alternative, that the Marine Surveyor role be added back in with a caveat on years of experience until at least July 2019.**

### 3.3 Shore-based office roles

*Visas in this category include Maritime Transport Professional NEC, Technical Manager NEC, CEO, etc.*

The removal of the Maritime Transport Professional NEC role was the largest area of concern for MIAL members. Each organisation is currently reviewing whether there are other occupations on the STSOL and MLTSSL or visa categories that would allow them to fill essentially business roles.

MIAL members have identified that rotating global leaders and managers through their Australian operations (and vice versa) ensures that Australia continues to benefit from global learnings about innovation, best practice and technical expertise. Whether the new TSS visa provides enough flexibility to undertake this vitally important business activity is not yet clear.

- 3. MIAL will continue to review the impact of the removal of the Maritime Transport Professional NEC from the CSOL.**
- 4. MIAL requests that an appropriate visa for intra-company transfers be made available.**

## 4 Visa review process

There is a clear need for a robust, consistently applied and transparent skilled migration visa system. In light of this, MIAL welcomes a regular review process but would make a number of observations about the 6-monthly review process. We have been advised by the DIBP that the review process is not yet finalised but that it would be based on Department of Employment data and submissions from stakeholders.

### 4.1 Consultation

As the DIBP and Department of Employment are doubtless aware, employment and training data is just one factor in determining whether industry skill requirements are likely to be met by the local market. Regional and specialist maritime employers have expressed the most concern with using national employment data that isn't an accurate reflection of the availability of qualified staff in their areas.

MIAL members are concerned about decisions being made on the back of DoE data without other stakeholders having an opportunity to provide input or even being aware that a change is being considered. Where future changes to the STSOL and MTSSL are being considered, MIAL considers that relevant stakeholders should, at a minimum, be notified.

Should changes be considered to the visa status of any of the occupations referenced in this document, we believe we may be able to assist in providing further important contextual information and data at the time that a change is being considered.

- 5. MIAL supports a mechanism where interested parties can register to be notified when changes are being considered to occupations on the STSOL or MLTSSL or where another stakeholder requests changes.**
- 6. MIAL supports submissions from stakeholders on the inclusion or removal of occupations from the STSOL and MLTSSL being made public.**

#### 4.2 Review frequency

MIAL members have concerns about the frequency of the review process, although agree that more frequent and in-depth reviews of occupations eligible for subclass 457 visas were needed.

Current and potential maritime operators in Australia require stability in visa and employment arrangements and believe that the frequency of a 6 monthly review process will negatively impact investment, strategic-planning capacity and the industrial environment.

Without clarity and stability around the types of critical resources than can be filled using TSS visa if there is a local skills shortage, businesses may be more reluctant to invest in the Australian maritime sector. MIAL members have also expressed concern about the impact of 6 monthly reviews on long-term strategic planning as businesses will no longer have visibility of or surety around avenues for filling critical resource roles.

Finally, dependent on the review mechanism/process that is adopted by the DIBP, there is the potential for the 6 monthly review process to become heavily politicised and a focus of employee-group and employer-group lobbying. MIAL members support a transparent review process that doesn't result in a large and ongoing drain on industry resources.

- 7. MIAL members support an annual STSOL and MLTSSL review process and believe 6 months is too frequent**

## 5 Skilling Australia Fund

MIAL members are supportive of the principles behind encouraging parallel investment in local training where businesses use skilled migration visas, which was previously being done through the use of training benchmarks. However, the method in which this investment or contribution is calculated under the new system needs to provide the right incentives and support for industry and businesses to invest in local training. The maritime industry has concerns that maritime businesses and industry will lose the current discretion it has in where training funds are allocated, particularly for regional employers who provide one of the few employment avenues for local communities.

The replacement of the 1-2% training benchmarks with a contribution to the Skilling Australia Fund (SAF) could have unintended flow-on effects for how companies allocate their training resources.

We are aware of Australian maritime employers who invest in upskilling their workforce beyond role requirements and/or who invest in training local residents. At present, this is counted towards training benchmarks but under the skilled migration reforms this will not be counted. A possible outcome is that businesses who cannot afford to meet both the training benchmarks and contribute to the Skilling Australia Fund will only do the latter. This potential diversion of businesses' training budget to outside the maritime industry is concerning.

MIAL has concerns that employer investment in maritime training will decrease as the availability of funds to deliver this is limited. If the SAF doesn't meet this gap (and there is no indication that it

would), there could be serious resourcing issues for the maritime industry in the medium and long term. For this reason, the allocation of funding from the Skilling Australia Fund needs to be done in consultation with industry. It stands to reason that if the maritime industry contributes towards a Skilling Australia Fund because it is using TSS visas, that that funding should return back to training in the maritime industry in order to reduce future reliance on TSS visas. To take the money but use it in other industries would only further undermine the maritime sector and disadvantage seafarers.

MIAL Members include some training providers who will be heavily impacted by any diversion of spending away from maritime training. Diverting industry training investment outside of the maritime industry through the Skilling Australia Fund is of significant concern to these providers.

- 8. Industry should retain discretion and flexibility in how its contributions to the Skilling Australia Fund are used.**
- 9. MIAL supports a reduction of the Skilling Australia Fund contribution made by a business in proportion to a business's allocation of budget resources to training. (Similar to the training benchmarks.)**

## 6 Conclusion

MIAL has made the following suggestions for consideration by the DIBP:

1. MIAL requests that consideration be given to giving employers access to the TSS visa option where there is a demonstrable need that is not being met by the Australian workforce.
2. MIAL requests that consideration be given to including a Senior/Principal Marine Surveyor on the STSOL and MTTSSLs until at least July 2019 or in the alternative, that the Marine Surveyor role be added back in with a caveat on years of experience until at least July 2019.
3. MIAL will continue to review the impact of the removal of the Maritime Transport Professional NEC from the CSOL.
4. MIAL requests that an appropriate visa for intra-company transfers be made available.
5. MIAL supports a mechanism where interested parties can register to be notified when changes are being considered to occupations on the STSOL or MLTSSL or where another stakeholder requests changes.
6. MIAL members support submissions from stakeholders on the inclusion or removal of occupations from the STSOL and MLTSSL being made public.
7. MIAL members support an annual STSOL and MLTSSL review process and believe 6 months is too frequent.
8. Industry should retain discretion and flexibility in how its contributions to the Skilling Australia Fund are used.
9. MIAL supports a reduction of the Skilling Australia Fund contribution made by a business in proportion to a business's allocation of budget resources to training. (Similar to the training benchmarks.)