



Managing Australia's Migrant Intake

AllA response

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About AIIA

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. AIIA is a not-for-profit organisation that has, since 1978, pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment and drive Australia's social and economic prosperity.

AIIA does this by: providing a strong voice on policy priorities and a sense of community through events and education; enabling a dynamic network of collaboration and inspiration; and curating compelling content and relevant information. AIIA's members range from start-ups and the incubators that house them, to small and medium-sized businesses including many 'scale-ups' and large Australian and global organisations.

We represent global brands including Apple, Adobe, Deloitte, Gartner, Google, HP, IBM, Infosys, Intel, Lenovo, Microsoft and Oracle; international companies including Optus and Telstra; national companies including Ajilon, Data#3, SMS Management and Technology and Technology One. While AIIA's members represent around two-thirds of the technology revenues in Australia, more than 90% of our members are SMEs. Our national board represents the diversity of the digital economy; more detailed information is available on our [web site](#).

Comments

The Skilled Migration Programme has undergone systemic changes over the last year.

We outline priority concerns for the ICT industry along with recommendations below.

Eligible skilled occupation lists

AIIA is concerned that the current eligible skilled list doesn't adequately cover the occupations the ICT sector requires to grow, innovate and be globally competitive.

Specifically the current lists do not clearly specify ICT specialist in key growth areas that other countries are targeting aggressively such as engineers in emerging systems, artificial intelligence, cloud, cognitive systems/data scientists, and machine learning/analytics.

Currently visa applications with a focus on emerging technologies need to feed into occupations that have prohibitive salary ceilings making the prospect of employment in Australia uncompetitive compared with other countries recruiting for the same positions.

The clear economic benefits of growing the ICT sector in Australia cannot be overstated:

- The economic contribution of the internet- and digital-enabled economy is forecast to increase from \$79 billion in 2014 to \$139 billion by 2020, rising from 5% to 7% of Australia's GDP.¹
- Going digital provides an opportunity to create new business models, reinvent core processes, improve efficiency, drive productivity and get closer to the customer, but in reality there is wide variation in how aggressive and effective businesses are in pursuing these opportunities. In Australia, small and medium businesses that are advanced in their use of digital technology compared to those at a basic level are 8x more likely to be creating jobs, 7x more likely to be exporting, earn 1.4x more revenue, and are 14x more likely to be innovating.²
- Across the economy, the adoption of productivity enhancing technology presents a \$2.2 trillion dollar opportunity for Australia through the years to 2030.³ However in order for Australia to realise the full benefits of this change, Australian business investment in technology, including skills talent, will need to lift to the level of global peers or we risk missing out on our share.

There are also a number of barriers for independent applications for 'approved' skills – applicants have to be state or employer sponsored even if their skills are 'approved' and highly sought after. This is preventing a raft of talented people from coming into Australia on their own merit – limiting the talent pool in Australia.

Recommendation:

- **clearly specify ICT specialist in key growth areas in the eligible skilled occupation lists**
- **loosen requirements for state or employer sponsored visa for skills in sectors where there is a critical skills shortage such as ICT**

¹ Australia's Digital Pulse, Deloitte Access Economics, 2016

² Connected Small Business 2016, Deloitte Access Economics, 2016

³ Google Economic Impact: Australia 2015, Alphabet, 2016

Foreign worker levy

In respect of the foreign worker levy, Australia is already a heavily taxed country. Further disincentives and burdens on employers in the ICT industry make Australia less competitive. AIIA notes that the new foreign worker levy and the Skilling Australians Fund replaces the existing mandatory training benchmarks required of employers who hire foreign workers. AIIA is also keen to work with the government to ensure the integrity of the Skilling Australians Fund, in particular to ensure the Fund is used to directly address skills shortage areas, including digital technologies that are imperative to building Australia's capability for the jobs of the future.

Recommendation: Government ensure the Skilling Australians Fund is used to directly address skills shortage areas

Ability to apply for Permanent Residency

Because changes have eliminated the path to permanent residency for many roles, it may become more difficult to attract the most qualified foreign workers to fill roles where there is a skills gap in Australia. The overall perception of Australia being harder to get into will undeniably have a negative effect on tech companies and entrepreneurs thinking of relocating here. At a time when other countries like New Zealand are actively courting top talent from overseas, this will affect our ability to compete for the best. We have heard some anecdotal evidence of this already in the medical research field.

Recommendation: government consider allowing applications for PR after four years

Impact on SMEs

SMEs such as technology startups are more affected by the changes to skilled visa arrangements because there is a risk that the already competitive skills market will be even more competitive. As a result some SMEs are concerned they will not have the cash flow to compete for quality local skills.

Recommendation: government address the above issues to make it easier for SMEs to attract and retain talent.