

Response to National Jobs and Skills Summit

Summary of submission

The Property Council of Australia welcomes the opportunity to recommend actions that could be undertaken to address the current shortage of skilled workers, and to grow Western Australia's skilled workforce in line with industry demand.

The submission sets out recommendations of actions that could be undertaken by the state government to increase Western Australia's attractiveness to both interstate and international workers, and to encourage more skilled workers to choose the state as a destination to build their future.

The Property Council of Australia

The Property Council of Australia is the peak industry body representing the whole of the property industry. In Australia, the property industry employs more than 1.4 million people and shapes the future of our communities and cities.

As industry leaders we support smarter planning, better infrastructure, sustainability, and globally competitive investment and tax settings which underpin the contribution our members make to the economic prosperity and social well-being of Australians.

The Property Council WA membership consists of more than 290 member companies. They are architects, urban designers, town planners, builders, investors, and developers. Our members conceive of, invest in, design, build and manage the places that matter most — our homes, retirement living communities, shopping centres, office buildings, education, research and health precincts, tourism, and hospitality venues.

This submission is informed by many of the Property Council's key member representatives and expert committee members.

Recommendations available to state government

Western Australia is experiencing extreme skills shortages, catalysed by a pause in migrant movements and the state's strong economic performance over the pandemic period. Ongoing supply chain disruption and shortages in building materials, exacerbated by a shortfall in skilled labour, is severely compromising project viability across all new developments. **Figure 1** shows the scale of the challenge, with unemployment rates at near record lows and demand for workers, reflected by job ads, now exceeding historical peak recruitment periods.

According to Property Council analysis of ABS data¹ there are more than 1.52 jobs available for every unemployed West Australian, the highest rate in the country. The below recommendations identify actions available to the state government to improve skilled worker migration to Western Australia.

Recommendation One | State government funding for visa application fees

A significant barrier to small and medium businesses recruiting skilled workers from abroad is the cost and complexity of visa systems. To support smaller businesses in overcoming the barriers to international recruitment the Property Council recommends a state government supported migration program be created to support businesses unable to recruit locally.

¹ ABS, Job Vacancies, Australia and Labour Force, Australia

The proposed system could offer concierge visa assistance pathways for small businesses requiring application assistance and could also consider funding or part funding visa application fees.

To ensure the benefit of the support remained within Western Australia, assistance programs could be connected to a condition that incoming workers domicile in Western Australia for a set time.

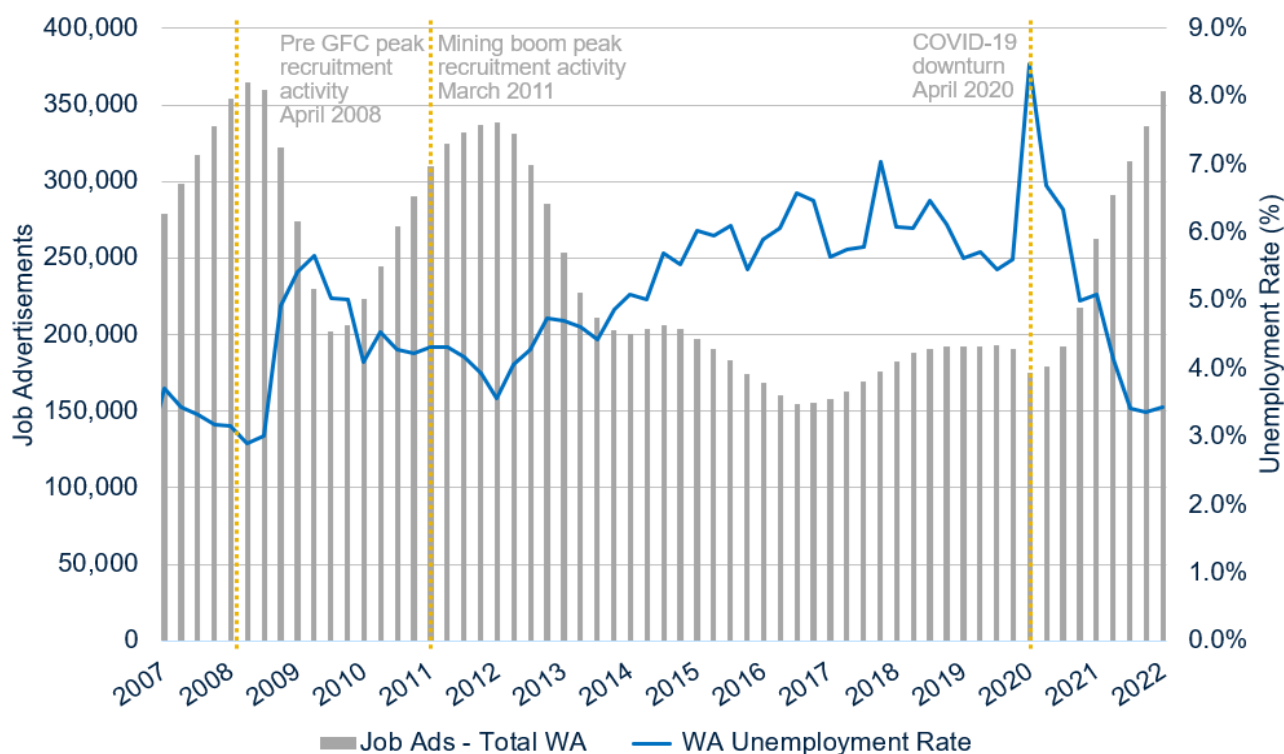


Figure 1: Labour Shortages in Western Australia²

Recommendation Two | Increase state government funding for Recognition of Prior Learning

Recognition of Prior Learning (RPL) is an assessment process used to evaluate the skills and knowledge an individual has gained through prior work experience and can be used to shorten the time required to complete a nationally recognised Australian qualification. RPL assessments are undertaken by Registered Training Organisations (RTOs).

Under the current system, individuals who undertake RPL are required to self-fund any training gaps identified through the RPL assessment pathway. The process of qualifying on skills gaps is financially cumbersome and often a barrier to migrants already domiciled in Western Australia from completing the necessary requalification assessment.

The Property Council proposes consideration be given to improving the financial accessibility of RPL. Two pathways available to increasing the accessibility of the program are:

² Australian Government National Skills Commission/ABS/Savills Research

1. Reducing the costs of RPL pathways through a review of state government RPL fees and charges.
2. State government could consider the implementation of a low or zero interest loan scheme to facilitate the advance payment of course and training required to meet RPL requirements.

Recommendation Three | Convert quarantine facilities into migrant housing

Concurrently with skills shortages, Western Australia is facing a shortage of available residential accommodation. Whilst the Property Council have firmly advocated that population to meet skills shortages can precede elevated housing supply, there is no question that housing shortages represent a challenge to the recruitment of skilled migrants.

One solution that could provide immediate relief to talent attraction in a constrained housing market is repurposing the Bullsbrook quarantine facility as a state funded/low-cost temporary accommodation option for individuals relocating to Western Australia. The Property Council understands this idea may already be under consideration by the state government.

Utilising the newly constructed 500-bed Bullsbrook facility to house incoming skilled workers offers several potential benefits:

1. According to research prepared by the Property Council³, housing affordability is one of the most significant points of attraction for workers considering Western Australia. By operating Bullsbrook as a zero or low rent facility, there is the opportunity to promote Western Australia, and provide a point of difference offering against other states also seeking to attract workforce.
2. Individuals using the facility for temporary accommodation may elect to cohabitate with other skilled workers beyond the facility, reducing demand on a constrained rental market.
3. A dedicated facility for new migrants to Western Australia presents an opportunity for centralised migration support services, such as training recognition and licensing.

Recommendation Four | Expanded funding towards talent attraction campaigns

Following the Western Australia Skills Summit in 2021, the state government adopted the recommendation put forward by the Property Council and other industry stakeholders to develop a dedicated talent attraction campaign. The result, amongst other initiatives, was the **Build a Life in WA** campaign, which launched last year and has recently been expanded.

To bolster existing efforts by the state government, the Property Council recommends funding be set aside to support industry led campaigns and initiatives intended to attract talent to fill necessary skills shortages.

Campaigns aimed at providing financial incentives to relocate to meet skills roles have been deployed in the United States. One example is the Make My Move initiative, a website that connects workers in the USA looking to relocate with under-resourced businesses and communities⁴.

³ Western Australia Skills Summit Submission 2021, Property Council of Australia, July 2021

⁴ Do what you love, in a place that you love, MakeMyMove.com

Recommendation Five | Improve accessibility to homeownership for skilled migrants

All Australian states are competing for talent. Ensuring skilled migrants have equal access to affordable housing in Western Australia enhances the state's likelihood to be the preferred destination for these workers.

One financial barrier is the Foreign Buyer Surcharge (FBS) which was introduced in Western Australia in 2019. In most jurisdictions the tax was introduced as a tool to limit market inflation created by substantial rates of foreign investment. In Western Australia, the tax was introduced as an equalisation measure with other states, and not as a response to high levels of foreign investment.

At the time the tax was introduced, then Treasurer Ben Wyatt said the state government was open to property industry advice on the impact of the Foreign Buyers Surcharge and flagged the possibility the charge could be withdrawn or reconsidered⁵.

The Property Council are aware of several instances where FBS has acted as an unnecessary hurdle for skilled workers seeking to settle in Western Australia. While the FBS rule contains an exception that any surcharge paid on a property can be refunded if the person is no longer a "foreign person" on settlement (e.g. become permanent residents), in practice, sellers are generally unwilling to enter into a contract which is conditional on granting of residency.

Whilst the Property Council's preference is to see the FBS removed, we recognise that the state government are reluctant to commit to such a measure. Therefore, as an alternative to the removal of the charge, we recommend a refund measure is implemented, based on the model used by the UK Government⁶.

In the UK, a 2 per cent rate charge is levied at non-UK residents who purchase a major interest in a freehold residential property for £40,000 or more. Individual buyers are then able to claim a refund of the surcharge if, following the purchase, they are present in the UK for at least 183 days during any continuous 365-day period that falls within the two-year period:

- beginning 364 days before the effective date of the transaction.
- ending 365 days after the effective date of the transaction.

It should be noted that the refund **does not** require the applicant to become a permanent resident. If a similar measure was announced in Western Australia, skilled workers could purchase property within the state knowing they would be able to reclaim the surcharge, providing them with a greater sense of financial security. Funds not spent on the FBS surcharge would then be available for home establishment purchases, increasing economic activity and supporting Western Australia business.

The Property Council are eager to work with state government to design a model that would best address the skill shortage crisis.

Recommendation Six| Create a ministerial portfolio dedicated to investment and talent attraction

As highlighted in our previous submission to the 2021 Skill Summit, the Property Council believes that the state government should consider creating a ministerial portfolio to target immigration, investment and population, with measurable key performance indicators.

⁵ [Treasurer 'flexible' on removing Foreign Buyers' Surcharge](#), Property Council of Australia, July 2019

⁶ [Rates of Stamp Duty Land Tax for non-UK residents](#), Gov.UK

Recommendations requiring advocacy to the federal government

Addressing skills shortages in Western Australia cannot occur without concerted collaboration with federal government. As a significant voice in the national cabinet, the state government are well positioned to strongly advocate for measures which will advance Western Australia at the national Jobs Summit in September.

In preparing for the Jobs Summit the Property Council proposes consideration be given to the below recommendations.

Recommendation One | Dedicated visa pathways to address shortages in Western Australia

The federal government's Priority Migration Skilled Occupation List (PMSOL) at the time of this submission listed 44 occupations and was last updated in July 2021. Approximately six of these priority occupations relate to the property sector. Priority processing of nomination and visa applications for PMSOL occupations applies to these employer sponsored visa subclasses:

- Temporary Skill Shortage (TSS) visa (subclass 482)
- Skilled Employer Sponsored Regional (Provisional) visa (subclass 494)
- Employer Nomination Scheme (ENS) visa (subclass 186)
- Regional Sponsored Migration Scheme (RSMS) visa (subclass 187)

The state government's occupation lists include all nominated occupations identified on the Western Australian skilled migration occupation list (WASMOL). This list is updated regularly to include occupations that are considered to be a priority for the state. As a result, this list is far more reflective of skill pressures within Western Australia than the PMSOL. However, applicants who have a nominated occupation identified on the WASMOL may be eligible for Western Australian State nomination using one of the following visa subclasses:

- Skilled Nominated visa (subclass 190); or
- Skilled Work Regional (Provisional) visa (subclass 491).

The Property Council recommends the state government advocate to allow the PMSOL visa subclasses to be made available to applicants seeking state nomination utilising WASMOL.

Recommendation Two | Investing in TRA and VETASSESS

Further funding needs to be provided to skills assessors, to ensure that there are assessors present within each state. The Property Council has received anecdotal accounts of workers travelling to other states to be assessed due to a lack of trade skill assessors in Western Australia. On occasions such as this, workers may be more inclined to settle in the states with skills assessors present to avoid incurring further costs relating to travel and relocation.

Recommendation Three | Explore opportunity for a labour agreement of the property and construction industry

Western Australia's property and construction industry is facing acute skills shortages, impacting the affordability and delivery of much needed housing, and slowing the delivery of critical infrastructure projects.

In the current market, it is not possible to meet the skills gaps with existing capacity in the Australian Labour Market or through standard visa programs. Given the market position, the Property Council proposes consideration be given to advocating for a labour agreement for the Western Australia property and construction industry.

Recommendation Four | Temporary suspension of labour market testing

The Property Council recognises and supports the recommendation submitted by the Committee for Perth calling for the temporary suspension of labour market testing requirements when Australia's unemployment rate is below the natural rate of unemployment⁷.

Recommendation Five | Additional resources for visa processing

During the pandemic, cuts were made to funding and staffing levels within the Department of Home Affairs. Rescaling and refunding visa processing needs to be prioritised for Australia to become a competitive destination for international talent attraction.

An Interim Report of the *Inquiry into Australia's Skilled Migration Program*, published in March 2021, highlighted studies undertaken by the Migration Institute of Australia found that the temporary working visa processing time for immigrants looking to move to Canada was six weeks. In contrast the temporary skill shortage visa processing time for a worker looking to move to Australia was up to 9 months⁸.

Existing indications also suggest the Department of Home Affairs is expecting a \$875 million budget cut⁹. The Financial Review recently reported that "the backlog for (the) regional skilled worker visa has topped 16,400 unresolved applications, with processing timelines blowing out more than 19 months for half of all potential migrants seeking to come to Australia¹⁰".

Beyond refunding and resourcing visa processing, the Property Council recommends the state government advocate for a temporary reduction in visa processing charges to improve accessibility for smaller businesses and to offset other inflationary pressures caused by labour shortages.

Recommendation Six | Enabling parents, retirees and pensioners to re-enter the workforce

The Property Council understand, there is a significant cohort of able workers who have self-selected out of the workforce. Identifying opportunities to attract this cohort back to the workforce should be prioritised.

A challenge for many parents is balancing childcare responsibilities against career. The Property Council proposes that where employers are willing to provide childcare to employees (as part of a salary package) the employer could be eligible for payroll tax rebates or equivalent grants for businesses who do not incur payroll tax.

Additionally, the Property Council recognises and supports the recommendation from the Committee for Perth that state government work with the federal government to undertake a pilot program to enable retirees and Age Pension recipients to re-enter the workforce by reviewing the disincentives (e.g. income tax, income threshold, assets test)¹¹.

⁷ [Race to the Top Report](#), Committee for Perth, August 2022

⁸ [Interim Report of the Inquiry into Australia's Skilled Migration Program](#), Parliament of Australia, March 2021

⁹ [Visa chaos after department's \\$875 million budget cut](#), Australian Financial Review, 10 June 2022

¹⁰ [Skilled worker visa backlog tops 16,000 applications](#), Australian Financial Review, 20 June 2022

¹¹ [Race to the Top Report](#), Committee for Perth, August 2022

Recommendation Seven | Eliminate or reduce the cost of skill-assessment

When considering opportunities to relocate internationally, the cost and ease of relocation is regularly a key consideration. Currently, pathways to achieve skill recognition in Australia is extremely costly, with some skill-assessment fees alone exceeding \$4,000¹².

Additionally, the existing visa application process is a major inhibitor to attracting skilled workers to Australia, due to its complexity and lengthy processing time¹³.

To address the complexity and cost of the system and to improve Australia's attractiveness to skilled workers, the Property Council proposes advocating to the federal government for a review of the visa application process, with the aim of reducing the processing time to be competitive with other markets competing for skilled workers.

Recommendation Eight | Establish offshore trade training facilities to meet Australian standards

The Property Council believes that the federal government should work with key international trading partners to develop offshore trade training facilities that would allow local workers to obtain nationally recognised Australian qualifications. This would remove the requirement for incoming workers to undertake skill assessments, allowing skilled migrants to immediately enter the Australian workforce.

If you require further information or clarification, please contact Emily Young, Deputy Executive Director on 0475 161 328 or eyoung@propertycouncil.com.au.

Yours sincerely,



Sandra Brewer
Executive Director WA
Property Council of Australia

¹² [Temporary Skills Shortage Applicant guidelines: Fees](#), Trades Recognition Australia

¹³ [Skilled Migrants Avoiding Australia](#), The Australian, 23 June 2022