



13 February 2017

Via email

Re: Stakeholder consultation for proposed Labour

Agreement for [REDACTED]

Thank you for your correspondence relating to the above matter. Professionals Australia, wishes to make the following comments.

Decline in skilled vacancies

According to the latest Department of Foreign Affairs Trade in Services data for 2014-15, the importation of engineering services totaled \$2.7 billion in 2014-15, with a five year growth trend of 12.0%¹. At the same time, the Department of Employment Vacancy Report shows the number of new advertised online positions for engineers² plummeting by 70% between November 2016 and its peak in 2012, placing engineers among the largest declining occupations. As a result, it appears we are now at a significant risk of importing services at the expense of fostering local employment and industry opportunities. The strict requirements surrounding skilled migration to Australia exist to ensure the protection of the local labour market, while also providing additional avenues for recruitment where a genuine need exists. At present, there is no evidence to suggest a need for the employment of overseas workers in the engineering profession.

Skill shortages

In addition to the decline in skilled vacancies, skills shortages have also declined rapidly across all engineering professions over the past five years. While some engineering occupations have exhibited

¹ Department of Foreign Affairs and Trade. *Trade in Services Australia 2014-15*. <http://dfat.gov.au/about-us/publications/Documents/trade-in-services-australia-2014-15.pdf>. Last accessed 13 February 2017.

² Department of Education, Employment and Workplace Relations. *Vacancy Report*. <http://lmip.gov.au/default.aspx?LMIP/VacancyReport>. Last accessed 13 February 2017.

skills shortages in the past, current assessments by the Australian Government Department of Employment suggest no shortages across engineering occupations³.

The argument for the use of overseas labour rests in the existence of shortages in the engineering profession. With no shortages currently present across the profession, there is no basis to support the ongoing use of overseas workers.

Given the lack of current skills shortages, Professionals Australia would also like to note that we are currently arguing for the removal of engineering professions from the SOL, with over 1,600 engineers having signed up to support our campaign. We have previously written to the Minister for Immigration and Border Protection, Peter Dutton MP, to advocate for reducing the level of skilled migration in engineering.

Unemployment among migrant engineers

Overseas workers should only be used where significant shortages of skill exist. If skill shortages are not adequately assessed, the risk of unemployment in the profession is likely to rise, particularly among migrant workers and younger engineers. What is of greatest concern to Professionals Australia in this context is that unemployment among migrant engineers remains stubbornly higher than for their Australian-born counterparts. At the same time, the proportion of overseas born engineers actually working in engineering sits at only 55.5 per cent, which is much less than for the Australian-born cohort at 69.9 per cent⁴. What this data serves to underline is that the current program of skilled migration in engineering is not sustainable, and is exacerbating a situation where migrant engineers face significantly higher levels of unemployment than their Australian-born counterparts.

The registration and accreditation of engineers

We would also like to point out the public policy failing which may manifest due to increased reliance on the importation of engineering skills. As a profession, engineering is both vital to the prosperity of the nation and can also have catastrophic consequences should it not be performed competently. Relying on employers to designate competence for such professionals may be an abrogation of responsibility to the

³ https://docs.employment.gov.au/system/files/doc/other/ausengineeringprofessions_0.pdf Last accessed 13 February 2017.

⁴ Andre Kaspura (2015). The Engineering Profession, a Statistical Overview, Twelfth Edition. https://www.engineersaustralia.org.au/sites/default/files/shado/Resources/statistical_overview_2015.pdf Last accessed 13 February 2013

public. Professionals Australia has long advocated for a registration scheme for engineers which is affordable, facilitates mobility of engineering labour and is affordable.

Conclusion

Professionals Australia strongly advocates against the use of overseas workers in the Australian market. Businesses in Australia should be encouraged to invest in the local workforce, developing the local skill base rather than importing skills unnecessarily. The promotion and preference given to migration in these categories should be approached with significant caution. At present, the current employment market for these professions shows no sign of oversupply, with unemployment increasing and job vacancies decreasing. As a result, the prevailing employment market does not warrant the utilization of overseas workers.

If you require any further information on the matters raised in this correspondence, please do not hesitate to contact me via Jenny Broomhall at jbroomhall@professionalsaustralia.org.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "C. Walton".

Chris Walton, CEO