

16 March 2023

Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600

via email: migration@aph.gov.au

ARA SUBMISSION: MIGRATION, PATHWAY TO NATION BUILDING

The Australian Retailers Association (ARA) welcomes the opportunity to make this submission to the Joint Standing Committee on Migration on the terms of reference for the committee's inquiry into Australia's migration system.

The ARA is the oldest, largest and most diverse national retail body, representing a \$400 billion sector that employs 1.3 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. We have members in all states and territories, across all categories - from food to fashion, hairdressing to hardware, and everything in between.

The retail sector is challenged by ongoing labour and skills shortages that pre-date the pandemic. Retail job vacancies have increased significantly in recent years and the scale of the labour crisis impacting retail continues to worsen, with the most recent ABS figures reporting 49,900 vacancies across the sector in November 2022.¹

Migration is one of the policy levers available to assist in alleviating Australia's labour and skills shortage. The retail sector needs to bring overseas talent into the country to help address workforce challenges, drive productivity and accelerate innovation but our members are in a global war for talent for hard-to-fill retail roles.

It is in this context that we have provided comments and recommendations below in relation to the terms of reference that are relevant to strengthening and continuing to diversify Australia's workforce.

COMMENTS ON THE TERMS OF REFERENCE

1. The role of permanent migration in nation building, cultural diversity, and social cohesion.

The ARA notes that Australia is a country of migrants and that migration has played a positive role in building our nation, contributing to its continued economic success and creating a distinctively Australian culture from a wide range of diverse backgrounds and languages.

In Australia, we are very fortunate to have such wide cultural diversity coupled with strong social cohesion. The ARA strongly supports a policy approach designed to support migration and strengthen social cohesion by ensuring migrants are welcomed and enabled to participate actively in our economy, society and educational systems.

¹ Job Vacancies, Australia, November 2022 | Australian Bureau of Statistics (abs.gov.au)

The ARA endorses and supports the submission and recommendations made to this inquiry by the Australian Chamber of Commerce and Industry (ACCI). We agree with the evidence-based perspective on migration outlined in ACCI's [Better Australia](#) strategy, including migration targets that maximise the economic and demographic outcomes with matching infrastructure investment to support these targets.

2. Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs.

The ARA believes that immigration needs to play a key role in ensuring the continued economic growth in our cities and regional hubs. Specifically, we need policies that will support and encourage migrants to choose to live and work in our regions. This will require a broad policy approach encompassing housing; education and training; access to support services including childcare and transport; and access to health services.

3. Attraction and retention strategies for working migrants to Australia.

The ARA submits that retention strategies are key to ensuring migrants are attracted to Australia in the first place. A balanced approach that includes a combination of both temporary and permanent migration is also needed to deliver desired outcomes in terms of Australia's skilled workforce.

In our recent pre-budget submission to Treasury, the ARA recommended that government drives more skilled migration for hard-to-fill retail jobs by creating pathways to permanent residency for skilled migrants as well as reforming the management of the Skilled Migration List to improve outcomes for government and industry.

The global retail sector has become much more reliant on data and technology to make complex business decisions about sales forecasts, product range and inventory levels. As a result, local retailers have been recruiting overseas talent in areas like merchandise planning, digital transformation and data management as they build their own internal capability.

In other parts of our sector and membership, trade-qualified roles like hairdressers, beauty therapists and truck drivers are experiencing critical shortages that pre-date the pandemic.

More broadly, the ARA also feels that the language of skilled and unskilled occupations is problematic, given the classification of many "unskilled" roles as essential during the pandemic, such as truck drivers, workers in food processing and front-line retail workers.

Any future changes to the migration system should therefore aim to remove the barriers to migration for all in-demand roles (irrespective of their level of skill) for a more flexible and responsive system that helps to fill the roles that employers need in a timelier manner.

In our pre-budget submission to Treasury, the ARA also recommended that working holiday makers and international students with visas are encouraged back into the country through targeted subsidies to cover the cost of international flights, with air fares currently cost-prohibitive.

Finally, the ARA notes the Government's decision to cap working hours at 48 hours per fortnight for international student visa holders. While this is an improvement on the 40-hour cap that was in place prior to the pandemic, we note that it is a significant change to the status quo and will have a substantial impact on retail businesses, particularly in hospitality, that rely on this cohort as a flexible, casual workforce to be able to meet the shifting patterns in consumer demand.

4. Policy settings to strengthen skilled migrant pathways to permanent residency.

While there is a place for short term visas for skilled migrants, the ARA strongly believes that having a pathway to permanent residency and/or citizenship is critical to both attracting more

skilled migrants as well as ensuring the ability of those migrants to stay and contribute to Australian society in the long-term.

Policy approaches that will enable this could include:

- Streamlined visa processing to ensure we remain competitive with other global markets.
- Clearly defined pathways to residency for skilled migrants.
- Improved skills assessment and recognition processes.
- Relaxation of work restrictions on family members of migrants.
- Improved social support services for migrants and their families.

ARA members, particularly in the hair and beauty sector, have indicated that pathways to permanent residency would assist their small businesses to grow. And our larger members have indicated that the current two-year limit for sponsored work visa holders is a barrier to attracting global talent in the first place.

For large and small businesses, the current framework means that they often put resources into training migrant workers, only to have those employees leave at the end of their visa term. The option of permanent residency would reduce costs, drive productivity and improve staff retention.

5. Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants.

The ARA has a strong commitment to equality and diversity, reflective of the retail sector that employs one in ten Australians, including people from culturally and linguistically diverse backgrounds.

The ARA's Retail Institute, a Registered Training Organisation, has a proven track record of delivering programs focussed on placing jobseekers from migrant backgrounds into retail employment through training and skills programs with wraparound support services.

In our recent pre-budget submission to Treasury, the ARA recommended that government create meaningful employment pathways into retail for refugees with support services to ensure a smooth transition into the Australian community.

With displacement of people across the globe increasing due to conflict, natural disasters and climate change, the ARA believes the retail sector can play a positive role in providing employment opportunities to refugees as they acclimatise to life in Australia. There are examples from around the world of retailers employing refugees in front-line roles and support functions to help address labour shortages and establish strong connections between refugees and local communities.

The ARA recommends a collaboration with government to provide a similar employment experience in Australia. The program could provide pre-employment training and on-the-job training, supported by language assistance and support from the community in the form of coaching, mentoring and networking.

Subject to the provision of funding and support in navigating government schemes that support refugees, the ARA's Retail Institute could partner with government in delivering programs that support refugees and help the retail sector address record high vacancies, particularly in regional communities.

6. The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities.

As noted, the ARA's Retail Institute would be well placed to support government in delivering vocational training to support migrant workers transition into the local job market and community.

Thank you again for the opportunity to provide a submission to the joint standing committee. We look forward to further engagement as the committee's inquiry progresses.

Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.

Yours sincerely,



Paul Zahra
Chief Executive Officer