



**CIVIL CONTRACTORS  
FEDERATION**  
AUSTRALIA Ltd.

## **Review of the Core Skills Occupations List (CSOL)**



CCF NATIONAL OFFICE

ABN 89 618 345 261

Unit 13, Level 3, Engineering House

11 National Circuit

Barton ACT 2600

E [ccfnat@civilcontractors.com](mailto:ccfnat@civilcontractors.com)

[www.civilcontractors.com](http://www.civilcontractors.com)

31 May 2024

Jobs and Skills Australia

Via: [CoreSkillsList@jobsandskills.gov.au](mailto:CoreSkillsList@jobsandskills.gov.au)

## **Review of the Core Skills Occupations List (CSOL) points test**

The Civil Contractors Federation Australia (CCF) is the only registered organization at the national level for the civil infrastructure industry, representing 1,800 businesses with CCF branches in every state and territory of Australia.

We welcome the opportunity to provide a submission on the Review of the Core Skills Occupations List by Jobs and Skills Australia.

CCF acknowledges the Commonwealth Government's goals of their Migration Strategy to design a system that will maximise Australia's ability to respond effectively to present and future challenges and opportunities, with infrastructure at its heart.

Nowhere is this future challenge more evident than the Commonwealth Government's housing and energy transition targets with the infrastructure industry being critical to all.

Ultimately, development of the Core Skills Occupations List can be aimed to tackle the challenges by creating energy transition, housing and community enabling infrastructure. Energy transition and housing and community enabling infrastructure includes design, construction, and maintenance of the physical and naturally built environment, including public works such as roads, bridges, dams, airports, drainage, energy, water, sewerage systems, pipelines and railways.

Currently, Australia is heading towards a period of rapid transformation where skills strategies are not focusing on many of the occupations that provide the vital infrastructure that builds communities. The poor sequencing of civil skills over a long period of time is one of the underlying reasons that Australia is forecast to fall behind by up to 70,000 homes of the 240,000 FY2024 target and likely to see undersupply of this magnitude in the next several years.

When solutions for undersupply have been far and few between there has been few eyes cast towards civil infrastructure. Not one dollar in tackling the affordable housing crisis or energy transition can be spent if a dollar hasn't been spent in civil.

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

It is indeed time for Australia to once again adapt its migration policy to the nation's changing needs and to reconnect migration with the aspirations of Australians.

We observe in this submission that key civil infrastructure occupations such as draftspersons, technicians, as well as earthmoving plant operators and other crucial civil roles, are falling into a national shortage with future demand noted in recent Jobs and Skills Australia reports and as attached.

Currently, a deficit in civil skills presents a considerable risk for the Commonwealth's \$120 billion infrastructure spend. Whilst CCF submits for the training incentives to focus on civil we also see the Points Test as being shaped where possible to also have civil occupations as a focus.

As recognized by Infrastructure Australia, the infrastructure sector is delivering a major public infrastructure pipeline valued at \$230 billion over five years. This is occurring alongside a plan to build 1.2 million new homes as well as major investment in the energy and defence sector, which is quadrupling over that same period.

Alongside the review of Australian Apprenticeship Incentives, the CCF believes the development of Core Skills Occupations List is perfectly timed to allow the Government to focus on the skills for future communities that require bridges, roads, rail, and other civil infrastructure necessary to address housing supply and to transition to a green economy.

The disconnect between the Government's Migration Strategy and the CSOL will jeopardise the infrastructure, housing and transport aspirations of the Commonwealth, and all States and Territories.

## Scope of Review

The Migration Strategy released on 11 December 2023 provides a roadmap for the future reform of Australia's migration system. The Strategy also establishes a formal role for Jobs and Skills Australia in defining Australia's skill needs using evidence and advice from tripartite mechanisms.

The Strategy notes that while the Minister for Immigration, Citizenship and Multicultural Affairs is the decision maker on the final CSOL, Jobs and Skills Australia is responsible for labour market analysis and stakeholder engagement which will inform the Government's final decisions on the CSOL that will target the temporary skilled migration system to Australia's workforce needs.

Jobs and Skills Australia has developed a Migration Labour Market Indicator Model, that it will use alongside deep stakeholder engagement, to develop and then provide advice to the Government on the CSOL. This Model supports the Migration Strategy which specifies that the CSOL will be a single consolidated list, developed by Jobs and Skills Australia, which:

### **CCF Australia in our submission wish to focus on the following priorities of the CSOL:**

- Starts with the Jobs and Skills Australia Skills Priority List, constructed through a comprehensive evidence-based process that takes account of a range of factors and includes extensive tripartite engagement and input from across Commonwealth and state and territory governments

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

- Analyses whether migration is an appropriate path to address the identified shortages, considering how well migrants do in the labour market upon arrival, reliance on sponsored skilled visa holders relative to employment size and vacancy data, the likelihood of domestic supply for those occupations and the market salary for occupations
- Follows proactive stakeholder engagement, including with business and unions, and a structured qualitative research component. This will involve semi-structured interviews with a range of labour market participants, targeting both those experiencing shortages and those that aren't, to gain a broad range of views on the appropriateness of migration pathways for a range of occupations
- Supplies a list of occupations that the Government considers are required to be on the list to fulfil Australia's obligations under international trade agreements.

### Removing the migration barriers to securing skills in need

The goals of the migration system should not just be limited to meeting immediate skill needs. For Australia to tackle the housing crisis and make the energy transition and creating housing enabling infrastructure, targeting the necessary skills is less challenging with civil having clear acknowledged shortfalls across the country.

As per the Infrastructure Australia 2023 Market Capacity Report, projects a shortfall of 229,000 full-time infrastructure workers. The report notes that with the existing workforce at 177,000 employees, this is a 129% shortfall of workers needed to meet demand. The Australian Bureau of Statistics and Infrastructure Australia have highlighted this gap, which is expected to widen unless strategic measures are taken.

Jobs and Skills Australia itself show many civil occupations in shortage in the Skills Priority Lists over consecutive years, however these are not reflected in the current Draft Core Skills Occupations List due to the reliance on ANZSCO classifications.

The Skills Priority List (SPL) provides a detailed view of occupations in shortage in Australian and by each state and territory including the future demand for occupations in Australia, released annually as an assessment of the labour market. These are listed in the appendix.

This shortage is not just a numerical gap but a barrier to completing projects on time, within budget, and to the required standards and further challenged by typical infrastructure career pathways that have long lead times in and high churn rates out.

With the energy transition requiring civil skills there is a need to train in this emerging area but also to backfill those that move with this transition and to replace those older workers heading into retirement. A skilled workforce is essential so that we are equipped to make the most of opportunities as we transition to net-zero and this requires migration.

Labor shortages lead to project delays, increased costs, and reduced quality of infrastructure developments. These issues not only affect the construction timeline but also inflate public spending due to prolonged project durations and increased labor costs, directly impacting the Commonwealth.

Also as per the Infrastructure Australia 2023 Market Capacity Report, key regions across the country will experience extraordinary growth in the three years from 2024—25. Top five regional hotspots include Murray, Mid North Coast and Riverina in NSW, Central Queensland, and the Northern Territory Outback.

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.

These regions will experience extraordinary growth in the three years from 2024—25, with investment up to three times higher than the three years prior in some regions.

The recent Points Test Review paper flags that *migration also works best when it ensures the right skills get to the right places. However, regional Australia is often locked out from the migration system because of the system's complexity and detachment from regional development planning.*

The CCF note and support the submission from Build Skills contains a Consistent with this perspective, BuildSkills has developed a list of 'core' built environment occupations that should be included on the Core List.

We support a more consistent an approach with the Australian Government's recent Migration Strategy, noting the review was critical of the historic approach to the Skilled Occupation Lists as being inflexible, outdated and lacking a longer-term focus.

Focus on delivering the skills in the regions is an absolute necessity and CCF Members are based in every town and city across the country. They face these regional skills challenges and the points assigned to the dispersal of skills right across the country is critical.

### Core Skills Occupations List focus on Civil

As the Strategy notes, restrictive occupation lists make it harder for Australia to attract highly skilled migrants, however this is not being put into practice.

Highly skilled and much-needed civil construction workers have been locked out of migration pathways due to the reliance on ANZSCO for determining skill level, and will remain so unless the Civil Sector is recognised through the Draft Core Skills Occupations List.

Despite the Government's Migration Strategy stating that "trades workers, machinery operators and drivers, and labourers will be eligible under the Core Skills Pathway", the Draft Core Skills lists do not reflect this, instead focusing on occupations that fit within the 1-3 Skill Level of the Australian and New Zealand Standard Classification of Occupations.

While the CCF welcomes the Government's Migration Strategy as a step in the right direction, we fear that restricting the Core list to Level 1-3 Skill Level Occupations will severely hinder the Civil Construction Sector in addressing our structural skills shortages.

Currently, trade-level civil construction roles do not qualify for standard skilled migration pathways (such as subclass 482) as they are either mis-categorised or not included in ANZSCO.

Under the Draft Core Skills Occupation List, civil construction plant operator and other blue-collar roles should be eligible through the Skills in Demand Visa – Core Skills Pathway (replacing the current 482), subject to meeting skills shortage and wage threshold requirements. They could also be considered on the subclasses that the Points Test underpins.

It, can allow the flexibility for Australia to determine its migration priorities according to what's best for the country – using an evidence-based approach, rather than being constrained by rigid statistical lists. Under

the Strategy, civil construction plant operator and other blue-collar roles could be eligible through a new Core Skills Pathway, subject to meeting skills shortage and wage threshold requirements.

As a result of the current reliance upon ANZSCO, Contractors are reliant upon Company Specific Labour Agreements to address long term structural skills shortages in the civil space.

*“Currently, when an employer wants to gain access to a temporary skilled migrant outside of the standard visa rules, including for migration below the TSMIT, they do so using labour agreements. There are currently more than 1,800 unique labour agreements in effect. Visa grants under labour agreements now make up approximately 5 per cent of the temporary skilled migration system. Yet, many of these agreements do not contain the protections that would be expected in lower paid sectors and occupations ‘who are most at risk of exploitation and displacing Australian workers with similar skills’.<sup>46</sup> This is a sign that the migration system is not working as intended.”* – Page 51 of the Migration Strategy

While these reforms acknowledge the importance of highly skilled workers in the civil construction sector, which has long been disadvantaged by the current system, the Draft Core List will continue to see Civil Contractors heavily reliant upon Labour Agreements due to poor policy implementation.

CCF have been vocal for many years that ANZSCO needs urgent reform because highly skilled workers have been locked out of our country’s skilled migration policy settings by outdated and inflexible occupation lists. The new Core Skills Pathway system must have the flexibility to determine our migration priorities according to what’s best for the country – using an evidence-based approach, rather than being constrained by redundant red tape.

We are excited by this development and look forward to working with the Federal Government to address our industries concerns before implementation of this new system.

We also urge the Federal Government to take a similar commonsense approach to reforming its training incentives system. Civil construction apprenticeships are currently excluded from the Australian Apprenticeships Incentive System, due to its reliance on the same outdated ANZSCO framework.

The reforms proposed in new Migration Strategy can greatly improve the civil construction sector’s ability to employ much-needed skilled plant operators and other trade-level occupations from overseas. The Core Skills Pathway, as proposed in the Migration Strategy, can open up new and streamlined pathways for highly skilled migrants with the skills that are desperately needed in the civil industry.

This starts with the Jobs and Skills Australia Skills Priority List, but Government should act to address the disconnect between the SPL acknowledging structural skills shortages in civil, and the failure to remedy this in the Draft Core Skills Occupations List.

The CCF are calling for a comprehensive evidence-based process that takes account of a range of factors and includes extensive tripartite engagement and input from across Commonwealth and state and territory governments.

We cannot tackle the housing crisis or make the energy transition if civil trades are not prioritized through reforms of skilled migration and the Core Skills .



## About Civil Contractors Federation Australia

The Civil Contractors Federation is the registered organization for the civil infrastructure industry nationally, representing 1,800 businesses ranging from those smaller business to a sizeable group of employers with around 1,000 employees each. CCF has branches in each state and territory to support Contractor and Associate Members in the regions and in the cities.

Civil Contractors Federation is the only Registered Organisation recognised as the peak body representing the industry nationally for:

- Infrastructure Policy;
- Industrial Relations;
- Training and Workforce Development;
- Construction of all major roads, rail, bridges, ports, water, sewerage, utilities and developments supporting the energy transition.

Civil Construction refers to the design, construction, and maintenance of the physical and naturally built environment, including public works such as roads, bridges, dams, airports, drainage, energy, water, sewerage systems, pipelines and railways.

Across Australia, Infrastructure Projects have been and remain the cornerstone of Australia's communities and cities.

The infrastructure sector is delivering a major public infrastructure pipeline valued at \$230 billion over five years supporting our everyday way of life and every business. Civil Construction is its foundation industry, without the civil industry nothing is built.



**Appendix 1:** Skills shortages in Civil Construction Sector (Source: [Skills Priority List | Jobs and Skills Australia](#))

Unit Group	ANZSCO	Skill Level	Occupation	AAPL	Skills Shortage								
3122	312212	3	Civil Engineering Technician		S	S	S	S	S	S	S	S	S
3121	312114	3	Construction Estimator	Prioritised	S	S	S	RS	S	S	S	S	S
3999	399999	3	Technicians and Trades Workers	Prioritised	S	S	S	S	S	S	S	S	S
7121	712111	4	Crane, Hoise or Lift Operator	Non Priority	S	S	S	S	S	S	S	S	S
7122	712211	4	Driller	Non Priority	S	S	S	S	S	S	S	S	S
7122	712212	4	Miner	Non Priority	S	S	S	S	S	S	S	S	S
7211	721111	4	Agricltural and Horticultural Mobile Plant Operator	Non Priority	RS	S	RS	RS	RS	NS	RS	RS	NS
7212	721211	4	Earthmoving Plant Operator (General)	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721212	4	Backhoe Operator	Non Priority	NS	S	NS	NS	S	NS	NS	NS	NS
7212	721213	4	Bulldozer Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721214	4	Excavator Operator	Non Priority	S	S	S	S	S	S	S	S	S
7212	721215	4	Grader Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7212	721216	4	Loader Operator	Non Priority	S	S	NS	S	S	S	S	S	S
7219	721912	4	Linemarker	Non Priority	S	S	S	S	S	S	S	S	S
7219	721913	4	Paving Plant Operator	Non Priority	NS	NS	NS	NS	S	NS	NS	NS	NS
7219	721914	4	Railway Track Plant Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721915	4	Road Roller Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721915	4	Road Roller Operator	Non Priority	S	S	S	S	S	S	S	S	S
7219	721999	4	Mobile Plant Operator	Non Priority	S	S	S	S	S	S	S	S	S
7331	733111	4	Truck Driver (General)	Non Priority	S	S	S	S	S	S	S	S	S
8217	821711	4	Construction Rigger	Non Priority	S	S	S	S	S	S	S	S	S
8217	821713	4	Steel Fixer	Non Priority	S	S	S	S	S	S	S	S	S
8211	821113	5	Earthmoving Labourer	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND
8212	821211	5	Concreter	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND
8219	821911	4	Crane Chaser	Non Priority	S	S	S	S	S	S	S	S	S
8219	821912	5	Driller's Assistant	Non Priority	ND	ND	ND	ND	ND	ND	ND	ND	ND

*S= Shortage*

*RS= Regional Shortage*

*NS= No Shortage*

*ND = No Data*

The Civil Contractors Federation is the peak national representative body for the Australian civil construction industry comprising over 1,800 civil construction companies across the construction supply chain.