

Dear member

I would like to begin by thanking all members who wrote to both Minister Stuart Roberts MP and Minister Alex Hawke MP regarding the critical skills shortages being experienced across the Australian automotive industry. At current count, over 80 letters were sent by VACC members to government.

As the Federal Government has now entered caretaker-mode, I feel it is an opportune time to update members of VACC's skills advocacy to date.

Working in concert with the Australian Chamber of Commerce (ACCI) (a national employer body, of whom VACC is a founding member), key issues prosecuted to government remain visa processing times, approach to prioritisation and the future of the Priority Migration Skilled Occupation List (PMSOL). I provide a brief update on each of these issues below, in light of discussions with the Department of Home Affairs (the Department).

Processing times

The Department has shifted its focus to processing offshore caseloads first (i.e. as opposed to onshore applicants), in particular offshore skilled visas, students and working holidaymakers.

To assist with processing, they have additional resources from the exemptions team and the onshore processing team. They are expecting to gradually make progress on processing times.

The Department advised they would like to achieve processing times for occupations on the PMSOL down to 30 days, and the entire 482 (TSS visa) caseload down to approximately 6 weeks, however, they are still some way away from achieving these targets.

Visa processing times

The following processing times were provided by the Department, which includes a breakdown of off-shore visa processing for comparison. As previously noted, the Department is prioritising off-shore skilled visas, followed by students and working holiday makers.

You can see below that medium-term occupations (which applies to automotive) is averaging between 42 and 67 days depending on whether the applicant is on or off-shore.

- **Students, higher education:**
 - Median processing time (50% of visas processed): 15 days offshore, 19 days overall.
 - 75% of all visas processed: 26 days offshore, 43 days altogether.
- **TSS visa (482) medium-term:** Median processing time: 42 days offshore, 67 days overall.
- **TSS visa (482) short-term:** Median processing time: 55 days offshore, 125 days overall.

Future of the PMSOL

The Department seems to share ACCI and VACC's view that the more levels of prioritisation there are, the greater the administrative complexity and risk of inequity for those who are at the bottom of each priority list.

VACC has advocated for automotive trades to be added to the PMSOL in order to improve visa processing times – the only lever available to VACC.

We have been informed that it is unfortunately, highly unlikely any new occupations will be added to the list now the election has been called and the government is in caretaker-mode. Following the election it will be a matter for the newly elected Federal Government to determine the future of PMSOL and how prioritisation of visa processing is to take place.

Next steps

It is VACC and ACCI's firm view that the sooner PMSOL is abolished, the better – removing the complexity of lists altogether to allow skilled migration employer sponsorship access all skilled occupations. Until this time, we argue that the fewer the lists, the better, due to the backlog they create for government processing and the inequity for industries who are not on a priority list, but are just as urgently requiring skilled labour.

VACC and ACCI will continue to engage with government regarding the future of PMSOL and improved visa processing times. We encourage members to continue to stay in touch regarding issues relating to critical skills shortages and visa processing times.

Should you have any questions or would like to discuss further, please do not hesitate to contact me, Imogen Reid, ireid@vacc.com.au or 0428 334 128.

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