



Australian
Retailers
Association

CONSULTATION ON SKILLED MIGRATION OCCUPATION LISTS

Summary Submission by the Australian Retailers Association
December 2017

AUSTRALIAN RETAILERS ASSOCIATION

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EXECUTIVE SUMMARY

Background

On 18 April 2017, the Government announced sweeping reforms to employer sponsored migration in which *Retail Buyer* (ANZSCO 639211) was removed from the gazetted list of 'sponsorable' occupations for 457 visa purposes.

On 5 June 2017, the Australian Retailers Association (ARA) made final submissions (attached) putting forward members' concerns with aspects of the 457 reform agenda, and in relation to skills shortage in the retail sector generally.

On 1 July 2017, the occupation of *Retail Buyer* was reinstated to the 457 visa program through inclusion on the Short Term Skilled Occupation List (STSOL).

Although the reinstatement of *Retail Buyer* into the 457 visa programme has been a welcome step, many ARA members continue to experience difficulties filling vacancies in strategic occupations, particularly in the retail buyer, merchandise planning, and digital domains.

It is our submission therefore, that an upgrading of the Retail Buyer classification to the Medium and Long Term Skilled Shortage List is required to effectively redress the current imbalance in the local labour market.

Consultation on Skilled Migration Occupation Lists

At the outset, the ARA is pleased to have a formal process through which to inform the Department of Employment of labour market issues, and to be afforded an equal opportunity to consult on the status and content of the skilled migration occupation lists from time to time.

We recently polled our members regarding their concerns in this area, with the results serving to update our survey and submissions from June this year. The small but representative sample set comprises 23 respondents, and the survey matrix loosely corresponds with the schema of the Department of Employment's stakeholder consultation process precipitated by the 'Traffic Light Bulletin' of 17 November.

Key Findings

An analysis of the attached survey results shows that at least 80% of respondents remain extremely concerned about 3-4 key retail roles in which they continue to see skill shortages. These are in the fields of merchandise planning and design, retail buying, and the retail digital space (e-commerce and m-commerce).





The consensus is that many Australian retailers are struggling to compete in an increasingly crowded international marketplace. In this context, competing does not necessarily mean offering goods and services for trade globally, but it does increasingly mean that they are competing with global players in the domestic market.

The state of play

Of great importance to retailers is the ability to meet sophisticated competition head on with equally sophisticated skill sets. These skills have evolved in the advanced retail markets of Asia, South Africa, North America, and the United Kingdom. The pace of transformation in the retail sector and a continuing paucity of local talent means that retailers continue to require meaningful access to the international labour market.

This is not a new phenomenon, but this does seem to get systematically overlooked by decision makers in the Immigration Portfolio who appear to maintain that there is liquidity of skills in this area¹.

When the settings are not right, the results can be catastrophic, as they have been for many well-known employers in recent months such as Oroton, Marcs, David Lawrence, Herringbone, Rhodes & Beckett, Payless Shoes and Pumpkin Patch and so on.

In short, Australian retailers are experiencing genuine difficulties in recruiting local merchandise professionals, mobile commerce designers, and buyers and planners who can match the standard of their overseas counterparts.

The problem with ANZSCO

The ABS does not publish OTE data for Retail Buyers through Joboutlook, but our survey/s indicate that these (and related) functions are attracting annual salaries of well over \$100,000. This is reflective of a metamorphosis in the nature of the role since the current edition of ANZSCO was revised in 2013.

The ABS Standards section has confirmed that it has no indication if, or when the ANZSCO will be updated, and as such, the Retail Buyer role (which has had to encompass merchandising and other retail-specific occupations not elsewhere classified), will continue to be relegated to a relatively low skilled corner of the ANZSCO classification framework. A comprehensive treatment of this ongoing concern, and how retail roles have evolved, can be found in the attached submission from June this year.

The problem with the STSOL

If it is accepted that highly skilled retail roles are proper career paths, it stands to reason that the employer sponsored migration programme should be able to facilitate a career path for such professionals in Australia. A

¹ The Retail Workforce Study 2014 suggested that while the data on skills demand and supply did not indicate any widespread current or medium-term shortages of skilled retail workers, industry was nevertheless experiencing real difficulties in recruiting for higher level positions such as retail buying, merchandising, planning, marketing and digital skills.





The future of retail

According to Chief Economist, Mark Cully, the driving forces of structural change in the Australian economy include technology, globalisation and consumer preferences³. Each of those three elements are extremely pronounced in the retail sector. Mr Cully (the original architect of the demand-driven economic visa programme) points out that Australian commerce in a globalised context is powered not only by advances in technology, but facilitated and accelerated through policy settings that reduce barriers to trade, capital flows and *labour mobility*.

It is therefore critical that immigration policy keeps step with the demands of key industries and prolific employers in Australia.

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³<https://industry.gov.au/Office-of-the-Chief-Economist/Publications/AustralianIndustryReport/assets/Australian-Industry-Report-2016.pdf> p.144

