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Submission to Migration Amendment (Skilling Australians Fund) Bill 2017, and the Migration (Skilling Australians Fund) Charges Bill 2017

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the national peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations. FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to Government and the broader community. FECCA strives to ensure that the needs and aspirations of Australians from diverse cultural and linguistic backgrounds are given proper recognition in public policy.

FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism so as to build a productive and culturally rich Australian society. FECCA's policies are developed around the concepts of empowerment and inclusion and are formulated with the common good of all Australians in mind.

FECCA welcomes the invitation to make a submission on the Migration Amendment (Skilling Australians Fund) Bill 2017, and the Migration (Skilling Australians Fund) Charges Bill 2017.

Recommendations

FECCA recommends that the government find alternative sources for the Skilling Australians Fund rather than increasing the potential for the exploitation of vulnerable individuals who are filling crucial skills gaps across a range of low-salaried and insecure industries.

Key Message

The Skilling Australians Fund is financed by a levy on employers who employ migrant workers. The levy will provide funds to support skills development in the Australian workforce. This kind of measure implies that migrant workers are responsible for Australia's skills gap and threatens social cohesion by contributing to negative stereotypes of migrants. This is particularly alarming given the 2017 Scanlon Foundation report *Mapping Social Cohesion* which showed that numbers of those who reported discrimination on the basis of

their skin colour, ethnic origin or religion has more than doubled over the past decade (up from 9 per cent in 2007 to 20% in 2017). FECCA opposes any legislation which would provide opportunity for increased racism or discrimination for migrants and Australians from CALD backgrounds.

Overseas workers currently fill a number of positions where local employees cannot be recruited. They are caring for Australia's elderly and disabled, supporting our nation's agricultural industry and growing Australia's IT and high-tech companies.

The 2011 Australian Bureau of Statistics Census found that the top 10 industry sectors in which migrants were employed were: Hospitals (except Psychiatric Hospitals), Cafes and Restaurants, Computer System Design and Related Services, Aged Care Residential Services, Takeaway, Food Services, Supermarket and Grocery Stores, Higher Education, Banking, Building and Other Industrial Cleaning Services, and Accommodation. The three industries where migrants outnumber those born in Australia are: Taxi and other Road Transport (nearly 62%), Clothing Manufacturing (53.7%) and Poultry Processing (50.5%)¹.

Demand for services in the aged care sector in Australia has reached unprecedented levels and, with a rapidly ageing population, demand is expected to continue rising.² In line with this demand, the resultant shortfall in aged care workers is estimated to have grown to more than 58,000 workers over the past eight years.³ Based on the projections for service growth to 2023, it can be estimated that an additional 30,000 workers will be required between 2015 and 2023.⁴

Almost two-thirds of Australian aged care residential facilities (63%) reported a shortage of workers in at least one direct care occupation. Skill shortages are more prevalent in remote and very remote areas.⁵ One of the main reasons for this is a lack of suitable applicants (80%). The employment of overseas born workers is often used by aged care employers to bridge the gap in the workforce. According to 2012 data, 32% of the aged care workforce were people born outside of Australia.⁶ Employment of migrant workers is recognised as a viable strategy to improve the workforce shortfall in the aged care industry by Aged & Community Services Australia (ACSA).

For a long time, migrant workers in Australia have been some of the most vulnerable to the risk of abuse and exploitation by their employers. In the period 2013-2014 migrant workers on working holiday visas had 'more than three times the rate of finalised Fair Work Ombudsman complaints compared to all other workers...This suggests a high incidence of exploitative work arrangements'⁷. The results of a landmark report by the University of New South Wales and the University of Technology Sydney (*Wage theft in Australia – findings of the national temporary migrant work survey, 2017*) highlighted endemic exploitation and underpayment of international students and backpackers. Temporary workers make up 11%

¹ *The Place of Migrants in Contemporary Australia A Summary Report*, Strategic Policy, Evaluation and Research Branch, Department of Immigration and Border Protection (July 2014)

²

https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/03_2017/nacwcs_final_report_290317.pdf

³ <https://www.acsa.asn.au/getattachment/Publications-Submissions/Position-Statements/Workforce-Strategy-framework-Nov-2016.pdf.aspx?lang=en-AU>

⁴ ACSA calculations from ABS (2013), DoHA (2010), PC (2010).

⁵ <https://engage.dss.gov.au/wp-content/uploads/2017/07/Aged-Care-workforce.pdf>

⁶ <https://www.acsa.asn.au/getattachment/Publications-Submissions/Position-Statements/Workforce-Strategy-framework-Nov-2016.pdf.aspx?lang=en-AU>

⁷ <https://theconversation.com/how-migrant-workers-are-critical-to-the-future-of-australias-agricultural-industry-66422>

of the Australian labour market and 30% of those surveyed earned *half* of the minimum wage for a casual employee for that job. The report found that 'underpayment was widespread across numerous industries, but was especially prevalent in food services, and especially severe in fruit and vegetable picking' (p5).

The proposed levy presents further risks to migrant workers including the increased possibility of salary deductions (wage theft) and a rise in racism and discrimination. Migrant workers are already overwhelmingly the victims of widespread, systematic and long term wage theft. FECCA is particularly concerned that placing a levy on their employers will result in greater levels of wage theft and other forms of exploitation as the employers 'pass on' the associated cost of hiring migrant workers.

The increasing vulnerability of migrant workers and their lack of support when challenging exploitation, discrimination and wage theft was given close attention by the United Nations Committee on the Elimination of Racial Discrimination in their review report of Australia⁸. This report expressed concern for migrant workers on temporary visas 'who work with low salaries and long working hours'. In this report the Committee recommended that Australia 'increase its efforts to improve working conditions of migrant workers'. FECCA argues that the Skilling Australians levy on employers will further jeopardise the security and economic safety of migrant workers, particularly those already vulnerable through temporary visa status, casualised work arrangements, and low salaries.

FECCA recommends that the government find alternative sources for the Skilling Australians Fund rather than increasing the potential for the exploitation of vulnerable individuals who are filling crucial skills gaps across a range of low-salaried and insecure industries.

FECCA would be glad to contribute in more detail on matters relating to the Skilling Australians Fund. For further information please contact FECCA Director, Dr Emma Campbell

⁸ http://tbinternet.ohchr.org/Treaties/CERD/Shared%20Documents/AUS/CERD_C_AUS_CO_18-20_29700_E.pdf