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Committee Secretary  
House of Representatives Standing Committee on Education and  
Employment  
PO Box 6021  
Parliament House  
Canberra ACT 2600

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## **Submission to inquiry into inhibitors to employment for small business and disincentives to working for individuals**

### **Introduction**

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 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 is pleased to respond to the Education and Employment Committee's inquiry into employment matters with regard to private sector small businesses. In this submission FECCA outlines the specific barriers that workers from CALD backgrounds face to attaining employment in small businesses, including language, discrimination and attitudes of employers, lack of personal networks and lack of Australian work experience.

FECCA thanks the Ethnic Communities' Council of Victoria (ECCV) for their input during the preparation of this submission.

### **Barriers to employment**

CALD workers can be the target of negative stereotypes and racist behaviour in hiring practices and at work.<sup>1</sup> This topic was discussed at a recent consultation hosted by FECCA in Shepparton, Victoria. One participant felt that his accent was used as an excuse to end his employment after his

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<sup>1</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 124 – 125.

probationary period, despite having performed well in the role.<sup>2</sup> Another participant believed that racism occurs where businesses are not owned by people from migrant backgrounds or those familiar with the migrant experience, particularly in regional areas.<sup>3</sup>

Service providers in attendance acknowledged that prejudice exists among employers:

“I think there is bias and prejudice existing, we need to acknowledge that, but also people might be uncomfortable, they might not be familiar with having somebody on board who speaks English as a second language, and therefore is too hard, they might feel like they might offend somebody if they say the wrong thing. If people are uncomfortable or unfamiliar with the cross-cultural engagement then that can be a challenge for people as well. They might not want to be prejudiced or biased but they are afraid that they might be in their unfamiliarity.”<sup>4</sup>

Attendees at this consultation felt that employers need to be educated about employing migrants and people who do not have high English proficiency, many of whom are willing to work. A further key issue identified at FECCA’s 2015 consultations is the reluctance of employers in small businesses to invest additional resources to train migrants, an attitude which works against migrants in the recruitment process.

Difficulties with obtaining recognition of skills and qualifications earned overseas are frequently cited by immigrants as a major barrier to accessing employment in Australia. Consultations conducted by FECCA in March 2015 revealed that many service providers and community members believe that there is not enough information about how to have overseas qualifications recognised. Additionally, the costs of this recognition can be prohibitive, particularly to refugees. Another key issue for humanitarian entrants, especially those from small and emerging communities, is that they may be unable to demonstrate previously held qualifications due to their inability to bring documents from their country of origin.

This was confirmed by ECCV in their discussion paper entitled ‘Qualified but not Recognised’ which identifies that a significant barrier to migrants and refugee job seekers in Victoria is the difficulty in achieving recognition of overseas skills and qualifications.<sup>5</sup> A key recommendation is the establishment of ‘one-stop shop’ information hubs in Victoria to provide face-

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<sup>2</sup> Male migrant, FECCA Access and Equity Community Consultation, Shepparton, 11<sup>th</sup> March 2015.

<sup>3</sup> Male migrant, FECCA Access and Equity Community Consultation, Shepparton, 11<sup>th</sup> March 2015.

<sup>4</sup> Service provider, FECCA Access and Equity Community Consultation, Shepparton, 10<sup>th</sup> March 2015.

<sup>5</sup> Ethnic Communities Council of Victoria, ‘Qualified but not Recognised’ (2014).

to-face information and advice on overseas qualifications recognition.<sup>6</sup> Given community feedback that many migrants have difficulty accessing information about this issue, FECCA supports the recommendation and endorses its adoption nationally. The ECCV discussion paper also covers issues like the availability of education and training, such as bridging courses, to help migrants make the most of their previous experience and up-skill.

Many local employers prefer Australian work experience, thus migrants and refugees who have developed skills in their overseas employment have difficulty getting this work recognised by Australian employers.<sup>7</sup> Attendees at FECCA's March 2015 consultations affirmed that in their experience, Australian work experience is preferred over overseas work experience by migrants and reported experiencing difficulty gaining initial work experience in the Australian job market.

The tendency to employ jobseekers through personal networks, and the lack of access that migrants have to these networks, is also of concern. A participant at FECCA's community consultation in Shepparton highlighted the need for personal connections to find employment:

"If you are white Australian you will get a job. For anything that you need to do here you need to be connected with someone. It is not really racism, but maybe when you go for the interview they put in their mind that you don't have any experience or anything. So they are worried that they if they would give me the job then I would not do the job right. It is not about racism but the trust".<sup>8</sup>

### **Intersecting disadvantage**

CALD people who are young, are older workers or have disabilities, experience these barriers to employment in addition to other forms of discrimination and disadvantage which can hinder them gaining employment, particularly in small businesses.

#### *CALD people with disabilities*

In their 2014 report on Disability Employment Services, the National Ethnic Disability Alliance (NEDA) wrote: "[w]hile people with a disability are ready to participate in the Australian workforce and possess significant skills and experience; these individuals continue to be unemployed and in some cases, continue to face precarious employment".<sup>9</sup> NEDA identified that CALD

<sup>6</sup> Ibid, Recommendation 1.

<sup>7</sup> The Australian Greek Welfare Society, *The Journey of New Greek Migrants to Australia: Opportunities and Challenges* (November 2014), 56.

<sup>8</sup> Female migrant, FECCA Access and Equity Consultation, Shepparton, 11<sup>th</sup> March 2015.

<sup>9</sup> National Ethnic Disability Alliance, *Disability Employment Services (DES) Consumer Engagement Project Report* (June 2014), 10.

people with a disability face many of the disadvantages outlined in the submission, in addition to additional barriers to sustainable and meaningful employment as a result of their disability. These additional barriers include discrimination, especially in hiring practices, if disability and/or mental health disorder is being disclosed, stigma, cultural indifferences and community intolerance. Furthermore, exclusion from interaction and inclusion in their formal school years can lead to difficulties when transitioning from high school to the labour force market.<sup>10</sup>

A key concern of the FECCA Disability Advisory Committee is the lack of appropriate employment opportunities for CALD people with disabilities who have tertiary qualifications. Many of these individuals find themselves working in low skill and low paid jobs, despite having the skills to work in other positions. Small businesses, in particular, may be hesitant to employ CALD people with disabilities due to a lack of understanding of their capabilities and needs in the workplace.

#### *CALD youth*

FECCA conducted a youth employment survey in 2014 and found that CALD youth believe that the key barriers to finding sustainable employment are:

- limited language proficiency, including accent;
- lack of experience as a result of their age;
- lack of local experience in Australia;
- experiences of discrimination, prejudice or racism;
- lack of Australian qualifications, or limited recognition of overseas qualifications;
- lack of networks to use in seeking and securing a job;
- limited familiarity with the Australian workforce, employment systems and culture;
- lack of confidence and/or fear of non-acceptance;
- lack of tailored employment services;
- pressure from families to prioritise obtaining a tertiary qualification over finding short-term employment; and
- pre-migration experience, including experiences of torture and trauma.

Many of these factors have been described in this submission as barriers experienced by all CALD workers.

FECCA's consultation in Logan, Queensland found that one of the major impediments to youth employment is the inability to obtain a driver's

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<sup>10</sup> Ibid, 22-23.

licence.<sup>11</sup> Having a driver's licence is a key requirement for apprenticeships and employment in many small businesses. There are numerous job opportunities in remote parts of Queensland where public transport is scarce or travel times are excessively long. The process of obtaining a driver's licence, including driving lessons and licence costs, can be prohibitive for young people coming out of school. A local organisation with the support of Commonwealth and Queensland governments introduced 'Breaking the Cycle', a program where youth between 16-25 years of age are provided with free driving lessons to obtain a valid licence. Although this program is highly commendable, there are long waiting lists and many felt that this project is under resourced.

Many participants at FECCA's consultation in Logan were concerned about the CALD youth that they knew who had accepted cash-in-hand work as it was the only option available to them. Working cash-in-hand is illegal and leaves young people open to being paid less than the award rate and not being paid leave and superannuation entitlements. Many young people from CALD backgrounds are unaware of their rights at work, or do not feel confident asking for them for fear of losing their job. The negative impacts of Australia's insecure employment on CALD employees not only affects individuals and their workplaces but, on a much larger scale, affects Australia's productivity, welfare systems and social cohesion. More research into the experiences of CALD insecure workers is needed to determine the extent of engagement in insecure work and the effects of this work.

#### *Older CALD people*

Older CALD workers and job seekers face the intersecting disadvantage of both age and racial discrimination, affected by the combination of a 'strange' surname, heavy accent, qualifications that are not recognised in Australia and the fact that they may be nearing conventional retirement age.

The incompatibility of full time work and caring roles is a major issue faced by older CALD people. There are strong cultural expectations in many CALD communities that older people will be cared for by family members rather than outsiders as they age.<sup>12</sup> Many older CALD workers find themselves dealing with the significant burden of maintaining paid employment while caring for an ageing spouse or family member. Individuals in these circumstances require flexible working conditions, however many find that their working conditions are inflexible or they have a lack of confidence to ask for the flexibility that they need. Flexible work is also required for older CALD people who wish to transition out of the workforce through part time work rather than being forced to choose between full time work and retirement. These individuals need to be aware of their right to ask for greater flexibility in

<sup>11</sup> FECCA Access and Equity consultation, Logan, 19 March 2015.

<sup>12</sup> FECCA, 'Review of Australian Research on Older People from Culturally and Linguistically Diverse Backgrounds' (March 2015), 24

their employment conditions. There is a need for employers to support flexibility of work conditions for all employees to help facilitate their diverse responsibilities.

### **Workplace policies regarding discrimination and cultural diversity**

The Australian Human Rights Commission (the Commission) has a 'good practice, good business' resource for employers on racial discrimination.<sup>13</sup> The resource outlines what racial discrimination is and what the obligations of employers are in relation to it. The Commission also has an online workplace cultural diversity tool which can be used by employers to assess themselves against best practice standards in workplace cultural diversity and plan their business development.<sup>14</sup> These tools could be promoted for use by employers to improve their knowledge and understanding about workplace discrimination and cultural diversity.

Workplace policies are a mechanism for employers to communicate their attitude to discrimination and harassment to their employees. These policies also give employees knowledge about what to do if they experience discrimination or harassment, including complaints mechanisms available to them. Discrimination and harassment policies should be developed and implemented in all businesses, regardless of size.

### **Conclusion and recommendations**

FECCA recommends the national adoption of ECCV's recommendation of the establishment of 'one-stop shop' information hubs to provide face-to-face information and advice on overseas qualifications recognition. Recognition of overseas qualifications is a key barrier to employment for migrants and refugees.

Given the prevalence of discrimination for CALD job seekers, Australia's anti-discrimination bodies (at national, state and territory level) should adopt strategies to target the small business sector with information about their legal responsibilities.

It is important to help employers understand the benefits of having a culturally diverse workforce for improving productivity, innovation and growth. There is a need for greater education of small business owners of the opportunities to employ migrants and people from a CALD background, including young people, older people, and those with disabilities. To facilitate this, an awareness campaign could be initiated to assist employers in understanding the needs of CALD employees and subsequently provide tips on creating a welcoming, inclusive and culturally appropriate workplace, free

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<sup>13</sup> Australian Human Rights Commission, 'Racial discrimination', accessible at: [https://www.humanrights.gov.au/sites/default/files/GPGB\\_racial\\_discrimination.pdf](https://www.humanrights.gov.au/sites/default/files/GPGB_racial_discrimination.pdf)

<sup>14</sup> Australian Human Rights Commission, Workplace Cultural Diversity Tool accessible at: <http://culturaldiversity.humanrights.gov.au/>



from racism and discrimination. Promoting the benefits of having a culturally diverse workforce through a nationwide campaign targeting employers is proposed as an effective way to eliminated experiences of racism and discrimination with regard to employment.

FECCA also recommends encouraging employers to develop and implement workplace anti-discrimination policies and multicultural action plans, for example through the use of resources developed by the Australian Human Rights Commission.

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