

COMMERCIAL IN CONFIDENCE



21 March 2019

Committee Members
Legal and Constitutional Affairs Committee
C/- CJ Sautelle, Principal Legal Officer

Dear Sirs

Inquiry into the effectiveness of the current temporary skilled visa system

Westrac rejects the claims made in the Australian Council of Trade Union's (ACTU) submission.

We employ over 3500 local workers in WA, NSW and the ACT. Local employment has always been the cornerstone of our business. We have only used 400 series visa workers (**Foreign Workers**) as a supplement to our labour force when local options have been exhausted. The total number of Foreign Workers has been inconsequential at less than 1% of our total workforce. All Foreign Workers have been paid on local terms and conditions.

We provide support to the mining and construction industry which is cyclical and has seen unprecedented labour rises and falls over the past 30 years. Throughout this time, we have been one of the largest private sector employers of apprentices in the Australia, with a focus on training and skills development.

Despite these efforts, there have been periods when the local labour market has been short of specific skills. During these times, the 400 series visa has been an avenue to provide additional short term labour to supplement the local market.

We always ensure that local workers have the opportunity to apply for vacancies by advertising on websites like Seek, Indeed, LinkedIn and Facebook, and by engaging with industry associations and local recruitment agencies. We also have a referral programme whereby employees are rewarded for referrals. Vacancies are often advertised for 3 to 6 months before international recruitment of Foreign Workers is considered.

We actively promote the training and development of local workers through the WesTrac Institute which is a registered training organisation. Apprentices trained through the WesTrac Institute have received various awards including Caterpillar dealer top apprentice of the year, gold medallist in the WA World Skill competition, and silver medallist in the National World Skill competition. The WesTrac Institute currently has the largest intake of apprentices outside government in Australia. The Institute also conducts training for trade upgrades and train-to-task skills for employees and industry participants. In the past 10 years, we have directly employed and trained 427 local apprentices through the WesTrac Institute, and trained a further 285 apprentices for industry partners. We currently have a total of 426 apprentices in training, 102 of which are employed directly. The WesTrac Institute derives little profit, and is mainly run to support our local workforce strategy. The skills acquired by apprentices and tradespeople through the WesTrac Institute are portable to other employers and industries, helping to build a strong local workforce.

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During the period from 2010-2013, we consistently had vacancies for around 500 trades people due to labour constraints associated with the mining boom. As such WesTrac WA directly employed 20 Foreign Workers out of a workforce of approximately 2600 employees, representing less than 1% of the workforce.

Between November 2013 and February 2014, we regretfully made 295 employees redundant as a result of the sudden downturn. Decisions regarding redundancies took into account workers' skills and competencies, and were made irrespective of a workers' country of origin. All workers were subject to the same benefits and conditions under the relevant WesTrac enterprise agreement depending on their classification at the time, so there was no benefit in retaining Foreign Workers over locals. Any consideration of a workers' country of origin would have been contrary to WesTrac's values and the law.

At the time, we were competing with labour hire firms offering labour at significant discounts, providing us with little option but to reduce our workforce. These firms did not provide the same training and support to local workers as WesTrac. Any person not permanently employed by us (i.e. contractors) were either removed from the business, or had their position offered to any employee who was impacted by redundancy as a redeployment option. Some contractors were retained within the business where no affected employee applied to redeploy. A small handful of Foreign Workers were retained this way in regional locations, but not in favour of local employees.

We took a considered approach to the 2013 redundancies, taking appropriate measures to safeguard the welfare of impacted employees. Meetings were held in a private building rather than a "caged off" area as the ACTU claims. Employees were provided with internal and external redeployment options where possible, and additional support was available in private rooms through both the employees' union and our employee assistance provider.

We assert that the ACTU's claims in its submission regarding WesTrac are unfounded, and Foreign Workers will continue to be required to supplement local labour as industry demands. Any changes to the 400 series visa system will be at the risk of productivity and the broader economy.

Yours sincerely,

Jarvas Croome

Chief Executive Officer

For and on behalf of WesTrac Pty Ltd