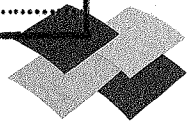


Commerce Queensland

QUEENSLAND'S CHAMBER OF COMMERCE AND INDUSTRY

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Dear Dr Sullivan

Thank you for the opportunity to comment on the eligibility requirements and monitoring, enforcement and reporting arrangements for temporary business visas.

Commerce Queensland represents the interests of 25,000 businesses across Queensland, many of which operate in rural and regional areas. Approximately 100 of the State's 132 local Chambers of Commerce are in regional and rural centres.

The inquiry is of significant interest to Commerce Queensland as a rapidly growing number of our members are using skilled workers from overseas, under the 457 visa scheme, as a means of addressing the chronic skills shortage that exists right across the State.

We believe that skilled migration is an important component of the skills shortages agenda as it can deliver skilled workers for immediate or emerging shortages in relatively short timeframes. However, we recognise that skilled migration is only part of a wider population and workforce policy approach.

Many businesses are using 457 visas as a pathway to permanent arrangements for their migrant workforce. 457 visas usually have less settlement problems than permanent visas given that there must be a job for 457 visa applicants.

Commerce Queensland's view is that the key determinants of the size of the total migration program should be:

- ensuring the necessary levels of population to sustain economic growth; and
- delivering sufficient numbers of skilled workers to introduce new or improved technology; and bolster Australia's work force in those sectors suffering from skills shortages, especially in regional and rural areas.

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We support a target for economic migrants of two thirds of the net program intake. Although this figure should be viewed as a flexible ceiling, with the capacity to accept more where potential business migrants meet certain criteria.

Broadly speaking, we believe the composition of the economic migration program should give weight to skill and labour shortages, as well as taking account of the elements that promote good settlement prospects, such as age, English language, employability, and settlement support networks.

In regards to 457 visa requirements and arrangements, there are a number of areas where Commerce Queensland sees a need for improvement. These are described below:

1. **Labour market information** - There needs to be reliable information about current and projected labour and skills shortages. This information should be provided via a comprehensive, single list of occupations in demand, particularly at a regional level, with information about skills recognition, skill acquisition requirements, and visa options.
2. **ASCO Codes** - The Australian Standard Classification of Occupational Codes does not adequately reflect current skill sets in the workforce. If applied too rigidly this will mean some skilled occupations in short supply will not be eligible for 457 visas.
3. **Skills recognition** - Prospective migrants overseas, and those already in Australia with skills or training obtained overseas, should have access to a system, delivered both overseas and within Australia, which would:
 - assess the training they have already undertaken, formal or otherwise;
 - assess their skills; and
 - document all of this.

Commerce Queensland supports the COAG proposal for a one-stop, offshore process for the recognition of overseas qualifications. This process must be designed to maintain the integrity of the qualifications system, and protect employer and consumer confidence in the workers' skills.

4. **Unskilled workers** - There are circumstances where, due to overall labour shortages, unskilled workers cannot be found within Australia to meet labour needs (fruit picking is a good example of this).

We believe that there needs to be immigration options available, providing targeted, short-term programs for unskilled workers, with arrangements for industry support. We understand that these programs require careful management, but relying on working holiday arrangements simply isn't satisfactory. Therefore, Commerce Queensland is in support of a short-term entry program for unskilled workers, where there is demonstrated labour shortages.

5. **Enforcement** - Commerce Queensland is keen to protect the integrity of the 457 visa program protected. We support a co-operative approach between governments and industry to investigate breaches at national and state levels. We also support the sanctioning of employers who deliberately breach their obligations.



However, some employers seem to be unclear about the overlap between the Department of Workplace Relations and the Department of Immigration and Citizenship legislative requirements, and the extent to which either can over-ride the other. In order to resolve this issue we believe that the Government should supply a clear and simple statement on employers' rights and obligations, under 457 and other visas.

Commerce Queensland does not accept that employers should be required to verify the immigration status of prospective workers. However, we accept they should take reasonable care in satisfying themselves of a potential employee's 'right to work'.

- 6. English language requirements** - Commerce Queensland is concerned about ramping up formal English language requirements. This could compromise the flexibility and defeat the intent of the temporary visa arrangement.

Business recognises the need for English language capabilities in the workplace particularly for workplace health and safety reasons. However, we know that many businesses encourage and or offer assistance for intensive English language classes for their temporary workers as a matter of course.

- 7. Labour hire firms and recruitment agencies** - Commerce Queensland would not like to see labour hire companies' access to 457 sponsorship restricted as this would have adverse affects on resource/mining and related sectors, particularly in Queensland and Western Australia. We also believe that small to medium sized businesses which rely upon recruitment companies to locate suitably skilled labour from overseas would be adversely affected.

At present, the performance of these recruitment companies is variable. The introduction of a code of conduct for companies recruiting skilled labour from overseas may be of benefit to Queensland employers.

Commerce Queensland feels that there should be better monitoring by the Department of Immigration and Citizenship of labour hire firms and recruitment companies to ensure compliance, rather than imposing restrictions on 457 sponsorship.

- 8. Training requirements** - Commerce Queensland is concerned by the prospect of introducing hard targets, numbers of apprentices, or dollars spent, to measure an employer's commitment to training Australians. We feel that this would particularly disadvantage small businesses and businesses located in regional and rural areas, especially if on-the-job training is not recognised for this purpose.

The issues of commitment to training must continue to be assessed in a flexible way, to ensure that it does not disadvantage any sector, occupation or region. In a tight labour market, not all sectors or regions will be able to attract trainees or apprentices. We believe it would be an injustice if these sectors and regions were excluded from access to overseas workers on that account.

- 9. The role of regional certifying bodies** - Commerce Queensland believes that Regional Certifying Bodies (RCBs) must have a local presence and a comprehensive knowledge and understanding of the local labour market in the region for which they are certifying. To ensure that any fees are maintained at a reasonable level, no RCB should have a monopoly over certification in any one area or region.

We feel that RCBs can perform an important role in raising awareness of the visa options available to employers and provide a valuable link to the Department of Immigration and Citizenship in regional and rural areas.



Chambers of Commerce have proven over time that they can constructively perform these duties, delivering valuable services to the business community. Commerce Queensland strongly supports the departmental monitoring of RCB approvals, (which already occurs), to ensure arrangements being approved are in line with local workforce availability.

- 10. Salary rules on temporary visas** - Commerce Queensland believes that the 1 July 2006 policy change to regional concessions for the minimum salary level is likely to exacerbate skill shortages in regional areas, or result in wage rises in some sectors, neither of which is attractive to the business community.

Previously employers could pay below the minimum provided they could demonstrate (through regional certifying bodies) that the market rate for the position was below the minimum.

With that discretion now severely curtailed, some industries in regional Queensland, such as tourism, hospitality, motor trades, and agriculture are required to pay temporary skilled workers salaries above the rate paid to local skilled workers. There are a number of examples of this. One of our members in the Cairns tourism market pays their Australian adventure leaders \$34,000 per annum, compared to the minimum \$37,665 paid to their Japanese for temporary skilled workers on 457 visas.

Our position is that there should be no separate minimum salary outside of the industrial relations framework. Until such time that this is achieved, in a letter to the then Minister dated 29 June 2006 we have suggested that the Government extend the regional concession from 10 percent to 20 percent.

It needs to be recognised that the minimum salary requirements do not override requirements that workers are paid in accordance with existing standards and conditions of employment (including awards, labour agreements, workplace agreements, superannuation and taxation etc). If awards, workplace agreements or labour agreements demand a higher salary, then the higher salary must be paid or else the employer risks losing the right to sponsor overseas temporary workers.

Clearly there is a level of inconsistency between the intended flexibility of workplace arrangements through WorkChoices and the minimum salary requirement for 457 visas.

- 11. Labour agreements** – Commerce Queensland supports the use of labour agreements for industry sectors and large employers. These agreements allow companies to have stable, on-going arrangements in place to employ appropriately skilled migrant workers over time, as part of their workforce planning strategies.

However, these agreements take an inordinate amount of time to finalise. There is a strong case to provide the relevant departments additional resources to ensure these agreements are negotiated in a timely manner.

If you wish to discuss any aspect of this submission please feel free to contact me on 07 3842 2237.

Yours sincerely

Paul Bidwell
General Manager – Policy
