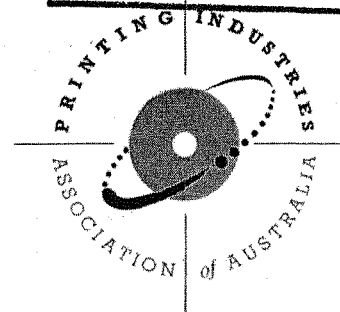


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1 February 2007

Dr Kate Sullivan
Inquiry Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Dr Sullivan,

Please find enclosed for consideration by the Joint Standing Committee on Migration Printing Industries Association of Australia's submission to the ***Inquiry into eligibility requirements and monitoring, enforcement and reporting arrangements for temporary business visas.***

The Association supports the continuation of the 457 visa program as it remains a critical component in the overall strategy of addressing Australia's serious skills shortages.

The Association welcomes the current inquiry into the temporary business visa system and looks forward to further improvements and refinements to the system to enable the emergence of a more streamlined, flexible and efficient system.

Yours truly,

Hagop Tchamkertenian
National Policy & Research Manager

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***Submission to the Joint Standing
Committee on Migration***

***Inquiry into eligibility requirements
and monitoring, enforcement
and reporting arrangements for
temporary business visas***

1 February 2007

INTRODUCTION

Profile of Printing Industries Association of Australia (*Printing Industries*)

Printing Industries is the support, focus and representative organisation for companies in the Print, Packaging and Visual Communication industry.

Membership covers all imaging and communication sectors. These include printing, prepress and design, publishing, distribution, software and hardware, paper and paper board, printing consumables, packaging and flexible packaging, paper converting, binding and finishing, communication and media services.

Industry coverage

The Print, Packaging and Visual Communication industry is at the centre of the digital revolution, using technology and services development to meet the needs of an information driven society.

Traditional print products are being complemented by digital products, often CD and internet based, creating new markets and changing traditional print business models. Shorter print runs, document customisation, data and knowledge management and faster print turnaround are features of this emerging industry.

Typical industry activities include:

- Digital file, workflow, database and knowledge management; multimedia, prepress and desktop publishing; mailing and distribution.
- Commercial and job printing, including packaging (paper, cardboard, plastic, metal and other substrates).
- Publishing and printing newspapers, books, magazines and periodicals, greeting cards, calendars and diaries, posters, labels, signs and displays, advertising material (catalogues, brochures and leaflets), business forms, T-shirts and other fabrics, stamps, cheques and other security products;
- Manufacture and publishing of audio, CDs, video and data media; and the manufacture of paper stationery items.
- The industry is one of the largest manufacturing sectors in Australia employing more than 115,000 people. Small to medium businesses dominate.
- Annual turnover is more than \$20 billion, including more than \$10.7 billion in industry value added.
- New capital expenditure totaled \$800 million in the most recent financial year.

BACKGROUND

Australia's prolonged period of economic expansion has delivered favourable economic outcomes such as strong growth in employment and the lowest unemployment rate for 30 years. But economic growth has also created some economic challenges for many employers manifested by a tight labour market and associated skilled labour shortages.

In the printing industry labour availability has been deteriorating for ten consecutive quarters according to internal research conducted by *Printing Industries* and the forecast is for a continuation of the deteriorating trend.

Unless the situation improves, a tight labour market combined with an ongoing resource boom will continue to place upward pressures on wages, inflation and eventually interest rates. Such an outcome risks putting in jeopardy the current prolonged phase of economic growth and expansion.

The temporary skilled migration visa program offers an opportunity for employers in the printing industry to sponsor skilled workers from overseas to fill available skilled positions that operators of printing businesses have been having difficulty in filling.

The skills shortages that the printing industry is experiencing have been formally acknowledged by the Federal Government. Currently a number of industry specific occupations such as binding and finishing, screen printing, printing machinists, small offset printers, and graphic pre-press tradesperson are all occupations that are listed as areas suffering from skilled labour shortages.

Printing Industries research shows that in addition to these officially listed printing industry occupations a number of other industry occupations are experiencing and reporting skilled labour shortages as well.

For many businesses, especially small to medium sized firms, the spectre of ongoing skill shortages threatens business viability. The printing industry is dominated by small sized firms with approximately 85 per cent of the businesses operating in the industry employing less than 20 people.

Printing Industries is naturally very concerned about the ongoing viability of many of these businesses given the deteriorating skilled labour situation in Australia.

With the Australian Government projecting potential labour shortages of around 195,000 employees within the next five years as a result of population ageing alone, the prospects of continued economic growth is likely to mean labour demand will continue to exceed supply. It is also worth noting that according to the Australian newspaper during the past decade more than 390,000 people have been given permission to enter Australia as part of the temporary business visa program.

INDUSTRY FEEDBACK

The following are comments received from operators of printing businesses concerning the issue of temporary business visas. Being a representative organisation, *Printing Industries* regularly invites feedback and comments from member companies on various issues that become subject of inquiries and reviews.

The examples outlined below are representative of comments and suggestions received from member companies who were approached by *Printing Industries* to provide both an industry feedback and a view on this issue.

Member Company A

Member Company A has sponsored five label printing workers to Australia during the past three years. The sponsored workers all arrived on temporary visas and within three to six months sought permanent visas.

The sponsored workers were all well qualified and well trained. Some were even better qualified than what is currently available in the local label printing industry.

All the sponsored workers displayed good work ethic and fitted well within the sponsoring company's working environment.

The sponsoring company experienced issues with trades' recognition for sponsored workers who were seeking permanent residency. Some applicants had their trade recognition approved promptly without question, whilst others had their applications held up for up to six months, due to the relevant Government department being unable locate an assessor.

While generally the time for the Government to process and approve applications has been satisfactory, the sponsoring company believes it would be in everyone's interest if it was shorter.

The sponsoring company has had no trouble with the applicants speaking the English language.

The sponsoring company uses professional Immigration Consultants to process the visa applications and help simplify the process.

Member company B

Member Company B has experienced difficulties in recruiting skilled trade's people.

The company has been searching for skilled operators for its printing and bindery staff but has not had any success in its efforts to recruit in the domestic labour market.

The company has now decided to search off-shore for suitably qualified staff and will be using the temporary business visa system to sponsor suitably skilled workers.

Member company C

Member Company C supports the temporary business visa arrangements and emphasises that the Australian economy needs to source skilled people from overseas to alleviate the skills shortages problem. The lack of skilled workers available domestically is viewed as having a detrimental impact on the viability of domestic companies.

According to member company C a well publicised method of sourcing overseas employees is the Temporary Business (Long Stay) Visa ("457 visa"), which is promoted as a relatively fast and efficient method of securing visas for overseas employees. But while the concept is sound, the execution according to member company C leaves a lot to be desired.

The basis of the 457 visa is that it can be granted within the service standards of four to eight weeks. The experience of the company has been different with the visa taking a longer period before it is granted.

Member company C attributes the inefficient execution of the system to lack of resources at the Department of Immigration and Citizenship resulting in a backlog of work for case officers and inefficiencies in the processing system which results in duplication of answering queries.

A process sometimes used by Australian businesses is to secure a Temporary Business (Short Stay) Visa ("456 visa") which can be used to bring people into Australia for up to 3 months and can be used until the 457 visa is granted. However, the decision to grant a 456 visa is at the discretion of the overseas Australian Embassy and decisions do vary from country to country.

Member Company C suggests that it would be more efficient if the 456 process was used to bring skilled people to Australia pending the granting of a 457 visa so that employers could plan their operational resources efficiently and effectively.

Member Company C also highlights the disparity in the conditions imposed on employers who sponsor overseas based employees. Whilst sponsored employees deserve protection, the focus on employers represents a significant administrative and cost burden. Being a sponsor of overseas skilled workers the company's intention has always been and continues to be to provide a fair days pay for a fair days work.

The experience of member company C regarding the English language is that sponsored workers have had a certain level and command of the English language that was deemed sufficient to get the job done.

According to member company C if the English language is going to be a criterion of acceptance or rejection of overseas based skilled workers then it would considerably narrow the potential countries the company can look to when recruiting for skilled positions.

On the issue of minimum wages/salaries stipulated, member company C advocates that wage rates be scrutinised to create a fair balance for all employees, local and sponsored temporary workers. In some instances sponsored workers end up receiving wages that are higher than what local workers receive for the same tasks and duties.

Member Company D

Member Company D decided to embark on a new capital expenditure phase which resulted in the company investing in new machinery and technology for its forms printing business.

The company started searching for suitably qualified trades people to operate the new presses but experienced difficulties in finding suitably qualified people.

The company then decided to offer its existing press operators an opportunity to undertake training to up-skill so that they can operate the newly installed presses. Despite offering increased remuneration as part of the up-skilling program, none of its' existing press operators took up the offer.

The company was forced to look at overseas destinations for suitably qualified workers and ended up sponsoring skilled press operators from the United Kingdom.

THE 457 VISA PROGRAM

Under current arrangements, the 457 visa program allows skilled workers to come to Australia to work for an approved employer for up to four years.

According to Australian Chamber of Commerce and Industry (ACCI), the average salary of a 457 visa holders across all occupations is currently around \$70,000 a year.

Sponsoring employers also face additional costs associated with bringing skilled workers to Australia. These include relocation costs and the cost of bringing a foreign sourced employee to Australia which can range between \$17,000 and \$31,000, according to ACCI.

TRAINING REQUIREMENTS

Under the current 457 program, businesses seeking to sponsor overseas workers must demonstrate a history of, or commitment to, training Australians in order to be approved as sponsors.

Administrators of the program exercise judgement about what kinds of training are appropriate in any given sector or type of business.

Printing Industries recommends that there be maximum flexibility when assessing a commitment to training. The Australian printing industry is experiencing difficulties due to a tight labour market in attracting local trainees and apprentices. Printing businesses must not be excluded from access to overseas workers simply because they are unable to attract local trainees and apprentices.

Businesses with a commitment to training but unable to attract local trainees should be permitted to sponsor skilled workers from overseas.

ENGLISH LANGUAGE PROFICIENCY

There is currently no English language testing required for entry under a 457 visa. The sponsoring employer decides what English is necessary. This is consistent with the policy objectives of the 457 visa as a streamlined process to facilitate entry of highly-skilled personnel to meet the immediate short to medium term requirements of sponsoring businesses.

Printing Industries supports the existing arrangements as formal English testing may slow the process considerably.

To address concerns associated with poor English giving rise to Occupational Health and Safety (OHS) issues, employers should be required to ensure that workers who are sponsored from overseas have sufficient command of the English language not only to perform assigned tasks but also to prevent workplace related injury.

Based on feedback from the printing industry, proficiency in the English language is currently not a problem in the printing industry as sponsored workers working in the printing and related industries mostly originate from English speaking countries.

Those who do not originate from English speaking countries come to Australia with sufficient proficiency in the English language to be able to perform the assigned tasks and comprehend OHS related issues.

LABOUR AGREEMENTS

The advantage of Labour Agreements is that they are customised arrangements designed to meet specific needs outside the regular 457 provisions. While they may take longer to initiate, they have the advantage of being tailored to the specific needs of the industry concerned and are more flexible once in place.

Printing Industries supports moves to help streamline the processes for establishing, monitoring and reporting of Labour Agreements. *Printing*

Industries also advocates the introduction of provisions to vary Agreements to meet changes in demand, supply or other product/labour market conditions.

WAGES/SALARY LEVELS

Based on industry feedback there needs to be a close examination of payments to sponsored workers to ensure that there are no discrepancies in payments between local workers and sponsored workers for undertaking similar/identical tasks and duties.

Printing Industries also recommends that there be no mandated minimum wage/salary levels for sponsored workers. The only condition that sponsoring employers should be made to abide by is to ensure that sponsored workers are not paid rates that are below prevailing legal norms.

LABOUR MARKET TESTING

The review of Australia's temporary entry program, "In Australia's Interests", conducted between 2000 and 2002, recommended the abolition of labour market testing.

This recommendation reflected several factors - most notably that labour market testing was an expensive and time-consuming imposition on employers who know their segment of the Australian labour market and that employers would not likely seek an overseas employee if a suitable Australian employee was available for the position.

Recruiting from overseas imposes considerable expense and delays and involves the employer in potentially costly financial obligations in relation to the temporary resident.

Printing Industries does not support the reintroduction of labour market testing.

PENALTIES AND SANCTIONS

Under current arrangements, where a business does not comply with its obligations to a visa-entry employee, the Department of Immigration and Citizenship has the power to prevent the employer from sponsoring or nominating any employees under the 457 visa or cancel the business sponsorship agreement.

The Department also has the power to cancel the visas of any existing foreign-sourced employees and consider previous non-compliance when assessing any future sponsorship applications made by the employer or by any other business operated by the same principals. These penalties effectively cut off access to future overseas workers by exclusion from the temporary business visa program.

Printing Industries supports the existing regime of penalties and sanctions applied to employers who deliberately breach their obligations under the relevant visa class.

IMPROVED COMMUNICATIONS

Allegations have been made that visa holders are vulnerable because they do not understand their rights or their employer's obligations.

Printing Industries recommends that employers sponsoring overseas based workers should ensure that sponsored workers are made aware of their employment rights both prior to coming to Australia and during their induction period.

IMPROVED SERVICE DELIVERY

Industry feedback suggests that while the 457 visa arrangement is a good policy instrument in helping to alleviate the problem of skilled labour shortages currently being experienced, there are often long delays involved in issuing the visas.

Printing Industries recommends that the Government investigate the efficiency of processing and granting of temporary business visas. If the performance is deemed to be unsatisfactory it should then commit additional resources to the Department of Immigration and Citizenship to help improve performance.

Printing Industries also recommends that performance benchmarks be introduced stipulating that case officers at the Department of Immigration and Citizenship must process ninety per cent of temporary business visa applications within four weeks.

CONCLUSION

Printing Industries supports the continuation of the 457 visa program because it is a critical component in the overall strategy of addressing Australia's serious skills shortages.

A strong domestic economy coupled with the realities of an ageing population makes it even more essential to have an expanding, improving and flexible skilled migration program that quickly responds to the needs of the Australian economy.

The Association welcomes the current Parliamentary Inquiry into temporary business visas and looks forward to the emergence of a more streamlined and efficient system.