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Submission No. 70
Date Received .....

14 March 2007

RECEIVED  
20 MAR 2007  
BY: MIB

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

Dear Kate

Austal Ships welcomes the opportunity and would like to thank you for your invitation to make a submission to the inquiry.

Like many industries in Western Australia, the expansion of Austal Ships has in the past been hindered in its production capacity by the difficulties we have experienced in sourcing skilled workers. Our strategies surrounding the recruitment of local and interstate people, the training and development of our current workforce and the longevity of our extensive apprenticeship program is testimony to our commitment in addressing the skills shortage that has affected our industry for at least the past four to five years.

The introduction of the Temporary Business (long stay) 457 visa and the accessibility to foreign skilled workers has made the sourcing of skilled employees required to work in key areas of our business much more achievable. It has also given us the capability and confidence to plan for future growth. Over the past two years, Austal Ships has grown our core business and increased our export revenue significantly through strategic measures including the building and training of our skilled workforce. With almost 20% of our workforce currently on the 457 visa, there is no doubt that this initiative plays a key role within our organisation.

**Inquire into the adequacy of the current eligibility requirements (including English language proficiency);**

The proficiency of the English language amongst our 457 employees is adequate, enabling them to understand and be conscious of our safety requirements as well as communicate effectively with all staff. The implementation of testing of the English language as part of the eligibility requirements would not be considered essential by Austal Ships, however we as a company do ensure a certain level of comprehension is achieved during our recruitment process.

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It would be a concern to us that this additional requirement would increase the processing time for the approving of such visas. We would however recommend that some provision and access be given to employers to source trainers of the English language to assist these temporary residents with a similar program that is currently offered to new permanent resident visa holders.

The requirements pertaining to skill levels are adequate for our needs to assess the eligibility of applicants. In countries such as the Philippines where Austal Ships has sourced many of its skilled workers, shipbuilding is recognised as a well established industry with many Pilipino workers obtaining specific skills within the industry. However, it has been identified by qualified Austal assessors through numerous overseas recruitment campaigns that many skilled overseas workers lack the formal trade qualifications which one has come to expect within Australia.

Austal Ships have experienced that the ASCO list of occupation classifications is outdated in certain aspects and requires updating to include many skills that the Australian labour market is still seriously deficient in. For example, the shipbuilding industry has a significant need to employ skilled and experienced 'Scaffolders', and we have found it extremely difficult to obtain staff with such skills despite extensive advertising both locally and nationally, however this skill set is not considered as an approved skill under ASCO and we continue to struggle in this area.

It is recommended that a review of approved occupations for Western Australia particularly related to the building and manufacturing industries be considered to allow businesses to recruit and fill positions that will assist and improve their production capacity.

**Effectiveness of monitoring, enforcement and reporting arrangements for temporary business visas, particularly Temporary Business (Long Stay) 457 visas and Labour Agreements;**

The monitoring, enforcement and reporting arrangements for this type of visa are essential to ensure compliance with rules and regulations. However for employers such as Austal Ships who have a large proportion of its workforce under these conditions, the reporting requirements of the monitoring division has become cumbersome to our day to day operations. Our payroll structure processes all workers under the same system and we do not have the ability to isolate 457 visa holders. With many of our systems automated the reporting of such workers on a regular basis requires significant manual input to produce the documentation that is required to be presented.

We have experienced contradictory information and recommendations from various areas within the Department over the past 12 months in matters relating to guidance for visa requirements as well as matters relating to monitoring issues. Rigorous scrutiny by the Department has resulted in prompt response by Austal Ships and where necessary the appropriate steps have been actioned without delay.

On reflection throughout our interactions with the Department we have experienced healthy discussions and a good working relationship although recently the levels of assessment and documentation required by the department could sometimes be described as excessive red tape leading to long delays and seemingly endless correspondence. Clear guidelines need to be established to clarify the procedures in respect to responding to Departmental directives. Industries need unambiguous directions which will allow a better understanding of the monitoring, enforcement and reporting standards. A final note on this issue is that these instructions need to be applied consistently by Departmental staff.

Austal Ships have made a conscious decision to ensure consistency and uniformity in the conditions and pay of both our overseas and local workforce. We have put in an extensive effort to assist our foreign workers to integrate into the local community and provide ongoing assistance to all staff in need. It has now become part of the Australian work culture that the total remuneration package for many employees is structured to include additional benefits and conditions over and above their standard base rate of pay and it is these benefits that help Austal Ships to attract and retain its workforce.

The current structure surrounding how the minimum gazetted salary is based for 457 visa holders makes it very difficult for Austal Ships to ensure the uniformity and consistency it promotes, with Austal Ships being forced to place many of the overseas workers on a higher base rate of pay than their Australian equivalents. A direct result of this is inflated wage rates for certain skill sets.

Our experience with the Department of Immigration & Citizenship has generally been good. As with most services there are issues that both parties must overcome and we appreciate the sensitivity that surrounds the entire 457 visa initiative and the need for the department to monitor this closely. However, the streamlining of many services and the continuity of the information and processes carried out by the officers within the department needs to be looked into.

Austal Ships would be interested in attending the public hearing and would appreciate notification of the date once confirmed.

Regards



STEPHEN MURDOCH  
CHIEF OPERATING OFFICER