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Att: Ms Kendall Crowe
Executive Officer, Economic and Finance Committee
House of Assembly | Parliament of South Australia

Submission to the Inquiry into the Labour Hire Industry

To look at a solution, first we need to understand the problem.

Despite South Australia having record high unemployment, there are thousands of jobs if not tens of thousands of job vacancies throughout regional areas of South Australia.

Despite these vacancies in key industry sectors such as farming, agriculture, horticulture, food processing and manufacturing, unemployed South Australians are reluctant to relocate in order to commence a new career path or find employment.

This creates a dilemma for regional cities and towns. As Arthur Caldwell, Australia's first Minister for Immigration famously said "Populate or Perish" this couldn't be more pertinent for regional towns and cities throughout South Australia.

Population growth must be targeted and deliver the people with the right skills to underpin and drive economic growth, in turn allowing our regions to flourish.

Availability, attraction and retention of an appropriately skilled workforce for key regional industries is a key challenge which has been identified in the Regional Development Australia Murraylands and Riverland Roadmap 2013-2016.

Attracting people from greater Adelaide to relocate to regional areas of South Australia where employers are facing long term vacancies is difficult and history has shown that this is not a viable way to address regional issues.

One pathway that has been available to employers and regional areas is the Department of Immigration and Border Protections temporary employer sponsored program, the working holiday and work and holiday programs.

The working holiday and work and holiday programs allow foreign workers to be employed for a maximum of 6 months by any one employer and in some instances allow the visa holder to be eligible to apply for a second working holiday visa when they work on the "Harvest Trail"

Unlike the subclass 457 program the working holiday and work and holiday programs are not monitored by the Immigration Department and other Federal Agencies. Therefore, there is little to no protection for any employee that holds a working holiday visa. As a direct result of this it is easier for unscrupulous employers or labour hire companies to abuse, threaten and coerce visa holders, subjecting them to treacherous living and working conditions.

The 457 program has many restrictions that limit the opportunities for employers to access this program in regional areas such as the minimum salary level which is in many instances set higher than award rates or prevailing market salary rates. Labour Agreements do provide some opportunities, however, agreements of this nature are very cumbersome and difficult to negotiate and the limitations for the 457 program regarding minimum salaries are an area of significant concern.

This really only leaves the temporary working holiday and work and holiday programs or holders or in some instances student visa holders as the main source of legal migrant employees.

The Inquiry into the Labour Hire Industry is therefore affected by factors such as regional job vacancies, the employability of people living in regional areas, the lack of Australian workers willing to relocate to regional areas and in part the limitations of the Australian migration program.

One opportunity to address these issues which would significantly reduce exploitation of foreign workers in regional areas is introduce a regional or economic migration program similar to that which currently exists in Canada, the Canadian provincial migration program. This program affords key industry sectors in designated areas with an opportunity to employ semi-skilled workers to address genuine long term vacancies where a genuine net economic benefit is achieved. Such a program would not only reduce exploitation of vulnerable foreign workers and address labour concerns in regional areas, it would also create new employment and training opportunities throughout the broader South Australian economy based on the findings of preliminary research undertaken with the South Australian Centre for Economic Studies.

Murray Bridge is a very good example of a regional community which has embraced a temporary foreign workforce who have since become permanent residents and Australian Citizens and an integral part of the fabric of that community.

By way of this submission, I request to appear before the committee to give evidence, discuss this opportunity and to respond to or answer any questions that the committee may have regarding this matter.

Further to my submission, I believe that it is very important for the Economic and Finance Committee to conduct research into the Canadian Provincial Nominee Program (PNP) specifically focusing on the semi-skilled program and how this could reduce exploitation within the Labour Hire Industry. This would include research into how the PNP operates in key industry sectors in Provincial areas or eligible territories of Canada with similar characteristics and demographics to South Australia, for example areas with;

1. An aging population
2. High unemployment
3. Significance reliance on primary industries, namely, agriculture, horticulture, farming and meat processing
4. High vacancy rates in skilled and semi-skilled workforce in regional areas in primary industries, (agriculture, horticulture, farming and meat processing)
5. Economic activity less than the national average
6. Low economic growth

I believe that the introduction of such a pathway in South Australia would result in significant participation by employers in a program that would have similar sponsorship obligations and ongoing monitoring and compliance requirements as the subclass 457 program.

It would be beneficial to ascertain the reasons why a semi-skilled worker stream was introduced into the Canadian PNP and what the introduction of this stream was/is designed to achieve. Was this introduced to regulate and monitor employers of temporary foreign workers in Canada.

As outlined on the Canadian Immigration and Citizenship (CIC) website;

Each province and territory has its own "streams" (immigration programs that target certain groups) and criteria for their PNP. For example, in a program stream, provinces and territories may target students, business people, skilled workers or semi-skilled workers.

For more information click here - <http://www.cic.gc.ca/english/immigrate/provincial/>

In addition to reducing exploitation of foreign workers employed in regional areas and increased opportunities to regulate and monitor employers of a foreign workforce, as an aside it may also be beneficial to investigate and identify other tangible outcomes or benefits which could be achieved through the introduction of such program including;

1. Impact on economic growth
2. Impact of growth in key industry sectors through an increased in able semi-skilled workers
3. Impact on unemployment and the creation of new employment and training opportunities through the multiplier effect, i.e. does an increase in foreign semi-skilled workers in regional communities in key industries create more jobs and create increased demand throughout local economies for goods, services and accommodation
4. Impact on population growth throughout various South Australian regional towns

Research could also include the total number of vacancies that currently exist in South Australian regional areas in key industry sectors, namely, agriculture, horticulture, farming and processing and other vacancies in other industry and professional services sectors, how many positions are currently filled by working holiday and work and holiday visa holders and how various employers and key industry sectors use these programs as a way to address existing vacancies in the regional workforce.

Information regarding skilled and semi-skilled vacancies and the overall benefits that could be achieved through the introduction of such a program in SA including the protection of vulnerable foreign workers could be sought from employers and industry bodies including;

1. SA Chicken Meat Council
2. Pork SA
3. Murraylands Food Alliance
4. Thomas Foods International
5. Primary Industries Skills Council SA
6. National Agrifood Skills Council
7. Potatoes SA
8. Citrus SA
9. Apple and Pear Growers Association of South Australia
10. The Horticulture Coalition of SA
11. South Australian Dairy farmers Association
12. AusVeg SA
13. Wine Grape Council of SA
14. Regional Development Australia, Murraylands and Riverland
15. Grain Producers SA
16. South Australian Farmers Federation
17. Livestock SA
18. Primary Producers of SA
19. Grains SA
20. South Australian Road Transport Association
24. JBS Primo Port Wakefield Abattoir
25. National Farmers Federation
26. Murray Bridge Council

I believe that if migration programs existed which addressed the genuine needs of regional communities and where these programs include the same stringent guidelines as the 457 program, this will significantly reduce recently publicised issues that currently exist within areas of the labour hire industry.

The Australian migration program is typically a one size fits all program. These migration programs are designed to regulate the flow of people/human capital and meet the perceived demands of the Australian workforce, however, my experience has shown that this is based on the needs and demands of Australia's largest gateway cities, not on the individual and unique needs of regional and low population growth regions of Australia.

To put this into context, nationally, population growth is heavily influenced or driven by migration outcomes. Australia's biggest states namely WA, QLD, NSW and Victoria had a combined population growth of 310,000. During the same period, the bottom 4 states and territories SA, Tas, the NT and the ACT had combined population growth of 20,000.

Migration programs are based on the needs and demands of big cities, not regional communities. Changes are urgently required to address genuine vacancies in regional areas and as a direct result of this an immediate reduction in the exploitation of foreign workers will be seen in the labour hire industry.

Kind Regards,

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