



# Skills on the Move

As skills shortages continue to bite, many Australian companies are turning to the immigration program for short-term help in filling skills gaps. The expansion of the 457 temporary skilled Visa program has led to intense political debate about the alleged use of the visas to push down wages and the abuse of the foreign labour itself. The program is important for many companies, but carries significant reputational and financial risks as one Ai Group member discovered recently when it became the subject of an unfair union campaign.

*Industry spoke with Federal Immigration Minister Amanda Vanstone to get her views.*

**F**ederal Immigration Minister Amanda Vanstone is firm in her belief that Australians are increasingly supportive of skilled migration. She is also confident that without skilled migration, Australia's economy would face devastating consequences.

"Skilled migration is absolutely critical to the economy," she told *Industry*.

"People understand when you're running a business you need money, you often need premises, and more and more are understanding that skills are a critical part of competitiveness. Skilled migration can be used to fill whatever need that business has to maintain that competitiveness."

Over the last 10 years, the Government has dramatically changed the migration program so that it is now heavily weighted towards skilled migration rather than family migration. In fact, there are now at least two

skilled migrants entering Australia for every person that enters under the family stream.

In 2005/06, 59,507 people arrived in Australia under the permanent skilled migration program and 35,647 arrived on secondary visas. Another 70,000 people (including families) arrived under the Government's temporary 457 working visas last year (for stays from three months to four years).

The number of entrants under this uncapped program is up by 66% over the past three years and this rapid expansion has contributed to the scheme attracting a high level of political interest and debate in recent months.

"I think Australians are very supportive of skilled migration," Senator Vanstone said.

"People want their jobs to be secure and they want their kids to have a job, they understand that that means the company has to be successful, and they also understand

that that will sometimes mean the company needs extra skills that it can't get in Australia.

"I think Australians support skilled migration because they know a stronger Australian business means more secure Australian jobs."

And that is the basis of the 457 Visa program – it's aimed at helping Australia's businesses to plug short-term skills shortages or to procure new skills not yet available here.

"That's important because skilled migration should be there to build jobs and not put any jobs at risk," Senator Vanstone said.

"It's one of the best designed visas you can imagine because instead of bureaucrats in Canberra or in capital cities drawing up some little boxes and saying you can pick some people provided they fit into these boxes, we say let's have a minimum salary level and a minimum skill level and then you tell us what you need.

“It means that we’re recognising that business knows best what it needs.”

With chronic skills shortages currently acting as a major capacity restraint on industry, Ai Group successfully lobbied for an increase of 20,000 skilled places under the program this year, resulting in a total annual intake of around 140,000 migrants. The skilled migrant intake is adjusted every year to take account of current economic conditions.

Ai Group Chief Executive Heather Ridout has said she would like to see the migration program move to a minimum of 160,000 arrivals a year and up to 180,000 in subsequent years.

Senator Vanstone declined to predict where the number of 457 Visas is likely to head in the next few years, saying only that she was keen to see a greater proportion of permanent residents made up of people who had already lived temporarily in Australia.

About 20% of 457 workers eventually become permanent migrants.

“It doesn’t matter whether they come here as students – we’ve changed the program to facilitate them being able to stay and because they’ve worked and studied in Australia they’re going to find it easier to settle in Australia than someone who’s come in cold,” she said.

“Equally, working visa holiday makers can now apply here without having to go home and 457 people can transfer. I just think the more secure settlement policy is going to be achieved by someone who was here before they decided to come here permanently.”

Competitive pressures meant awareness of skilled migration as one possible solution to skills shortages was growing among Australian businesses, she said, with increasing numbers now considering the possibility of sourcing overseas skilled workers.

“Many businesses haven’t looked at doing it in the past because we had a million unemployed during the recession we had to have and business could just put an ad in the paper or they could get people by word of mouth.

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simple as possible by streamlining the administration process so foreign workers could be secured quickly and not lost to another country.

The 457 Visa was a particularly important tool in combating global competition for workers because it got people in the door quickly and gave them a chance to decide whether they wanted to stay in Australia or not.

Skill shortages are not just an Australian issue and competition from other countries to access the world pool of skilled migrants is intense. Australia’s long history of being a nation of immigrants was an advantage in this respect, Senator Vanstone said.

“We don’t want people to choose somewhere else because they were waiting for an answer from us,” she said.

“Given that we are such a migration country and the spread of our intake is so broad, I think people would find it more welcoming in Australia than somewhere that’s not as diverse, without as rich a tapestry as Australia.”

With countries around the world trying to maximise their attractiveness to lure skilled workers, Senator Vanstone said employers and Australians generally had an important role to play.

She talked of a sawmill she visited recently in Mount Gambier, where the

employer speaks openly and positively to the local media about the contribution three workers from Zimbabwe are making to expanding his business.

It was this type of attitude that would help to position Australia as a leading destination for skilled workers.

“That obviously makes those workers feel valued and appreciated,” Senator Vanstone said.

“It knocks the hard edges off the move and makes them feel welcome and of course when they phone home they say they are really appreciated here.

Asked about specific problems in attracting skilled tradespeople to Australia, Senator Vanstone said tradespeople already got extra points under the immigration program and she believed the ‘phone home effect’ would provide the driver for attracting those highly sought skilled tradespeople from overseas.

“If you’re a business and you need 10 electricians and you’ve got three migrants and they’re all phoning home and talking to their friends so that over the next year you get four more, you’ve done very well,” she said.

“It’s a lot less expensive than going through some migration agent overseas. Just be nice to the ones that are here, be very nice. Make them feel welcome, included and valued and it’ll work for you.”

**Australian Immigration Minister Amanda Vanstone with three 457 visa holders from Zimbabwe sponsored by Mount Gambier sawmillers and logging contractors NF McDonnell & Sons. General Mechanical Engineering Tradesperson Gerald Schaper (far left), General Mechanical Engineering Tradesperson Ian Russell and Fitter Simon Scrivener (far right) met the Minister when she visited the company on October 23.**

# Ai Group members see skilled migration as a positive

**A**i Group members who have already turned to skilled migration to help plug skills gaps or shortages have found the experience to be extremely positive and advantageous to their businesses.

Leading Australian-based multi-discipline engineering, construction and services company McConnell Dowell believes skilled migration is an important tool when tackling the problem of skills shortages.

The company turned to Ai Group's Skilled Migration Advisers for assistance in sourcing appropriate workers from offshore and then attended several DIMA Recruitment Expos as a result.

"The local supply of experienced technical and professional staff is insufficient to support the many engineering and construction projects McConnell Dowell is involved with," Recruitment Manager Ellie Flower-Collins said.

"Supplementing our resources from overseas is an important way of staying competitive, bringing skills and new ideas to Australia and growing our business."

Essilor Australia Pty Ltd Human Resource Business Partner Susan Hussain said the spectacle lenses manufacturer turned to skilled migration to fill several positions that required extremely specialised skills not available in Australia.

"When we advertised in Australia, it was a very, very competitive market and we could not get the skills that we needed, particularly when it came to optical mechanics," Ms Hussain told *Industry*.

"We were looking for people with rimless experience and not many have got that experience because it is a very dainty and refined job.

"It is extremely difficult to find people out there with the appropriate skills," she said.

The business currently employs four workers on 457 Visas – two optical mechanics and two with experience in optical mechanical marketing.

While she does her own 457 Visa applications, Ms Hussain often contacts Ai Group's Skilled Migration Advisers for help with specific areas of the application.

"I find the service is very useful," she said.

International Power Australia Corporate Affairs Manager Jim Kouts said skilled migration had clearly bolstered the company's performance, not only in Australia, where it is the largest private generator of electricity, but throughout the 18 countries in which it operates.

The global company, which is headquartered in the United Kingdom and publicly listed on the London and New York stock exchanges, has a culture of moving people between countries and different operations to ensure skills are transferred throughout the business.

Mr Kouts said International Power Australia often needed specialist engineering skills that were not available in Australia in areas such as emissions trading and biofuels and temporary workers were often brought in from regions such as the Middle East or the United Kingdom to upskill the Australian workforce.

"It's no secret that in this dynamic global economy Australia is facing some skills constraints," he told *Industry*.

"That's causing some issues, particularly companies like ours that have a fairly diverse interest and have particularly targeted skills requirements for the types of businesses we run."

He agreed with Federal Immigration Minister Amanda Vanstone that it was important to value the contribution of skilled migrants to the business and the Australian economy.

"In broad terms, it obviously makes sense to assist skilled migrants find their way in Australia," he said.

"However, the general view that I have picked up is that there are very few skilled migrants who haven't enjoyed the opportunities of Australia or the work."



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## Ai Group helping members to benefit from skilled migration

Many hundreds of Ai Group members have so far benefited from the placement of two senior immigration Government officials with Ai Group, using the advisers to gain access to overseas skilled labour to address skills shortages that were affecting their businesses.

Hasan Sowaid and Chris Coleman were placed with Ai Group in August 2005 after Ai Group lobbied the Federal Government for such a service and since that time, the advisers have provided immigration information and advice to more than 2,000 Ai Group members.

Members have most commonly used the 457 long stay business visa as a means of attracting overseas skilled labour to help them remain competitive. Sponsors from the construction, manufacturing and mining sectors have accounted for about 26% of the primary visas granted in the year ending June 30, 2006, a jump of 83% in the number of businesses using those visas in those sectors compared with the previous year.

Australian employers have sought skilled workers from around the world with the United Kingdom, India, South Africa, China, United States of America, the Philippines, Japan, Ireland, Germany and Canada making up the 10 most popular sources for skilled migrants.

Mr Sowaid said while the vast majority of companies are doing the right thing in terms of meeting the obligations of their visa sponsorship, there have been cases where irregularities have been shown to exist and the companies in question are facing substantial penalties both financial and to their reputations.

Reflecting community concern, the Federal Government recently announced plans to tighten up the scheme and provided increased funding for mobile "strike teams" to monitor employers to ensure they comply with the conditions of their sponsorship.

In 2005/06, the Immigration Department monitored almost 6,500

employers and conducted almost 1,800 site visits. The new funding will boost the department's ability to enforce visa sponsorship conditions. Employers who breach the conditions can face sanctions including denial of future access to the program, as well as penalties under the Workplace Relations Act and state/territory sanctions for workplace breaches.

"While the program remains very accessible, Ai Group's strong advice to employers is that if they access the program then they need to be scrupulous in complying with the requirements of the visas," Mr Sowaid said.

Federal Immigration Minister Amanda Vanstone said she believed the program with Ai Group was working well.

"It's clear that industry didn't have its mind turned to the opportunities that immigration offered them, but I think they now do understand and I think the skilled migration advisers have helped facilitate that understanding," she said.

For further information on sourcing overseas skilled labour, the entitlements of overseas visitors to work in Australia, and employer sanctions, contact Hasan Sowaid in Sydney on 02 9466 5442 or Chris Coleman in Melbourne on 03 9867 0221.

## Ai Group helps member fight 457 Visa abuse claims

When Ai Group Queensland member Dartbridge Engineering was unfairly accused of mistreating its Filipino workers on 457 Visas, Ai Group acted quickly to assist the Brisbane-based welding and pipe and steel fabrication business.

New owner and former welding supervisor Dennis Hickman was confronted by the allegations the day he took over ownership of the company.

The Australian Manufacturing Workers Union claimed 40 workers employed on 457 Visas were underpaid, charged \$175 a week "rent" to live in substandard housing, and three workers had been sacked for joining a union.

Ai Group quickly pointed out the workers were paid at levels that met the

requirements of the 457 Visa program and the \$175 a week paid to the company's previous ownership covered much more than "rent".

It also covered health insurance, all transport to and from work and between jobs in a minibus, all gas, water and electricity costs, and accommodation in new, fully furnished premises that also included a pool and other recreational facilities.

Ai Group supports the 457 Visa program as one of the short-term solutions to skills shortages, but strongly believes employers that do not meet the Visa's conditions should be prosecuted.

"The union has no basis for its claims that Dartbridge is such an employer," Ai Group Chief Executive Heather Ridout said at the time.

"This is not the case of a 'rogue' employer abusing migrant labour. It is the story of a tradesman who wanted to own his own business and found himself in the middle of an unfair union vilification campaign in pursuit of a political end."

## Skill Matching Database

For those employers who are considering skilled migrants for the first time, Federal Immigration Minister Amanda Vanstone recommends going to the Government's Skill Matching Database as a starting point.

The Skill Matching Database helps match skilled people, who have applied to migrate, with skilled vacancies or skills shortages in Australia. It contains the educational, employment and work details of skilled migrants and includes many who are interested in living and working in regional Australia.

The database can be found at <http://www.immi.gov.au/skills/index.htm>.