

Crackdown on foreign workers is part of Shorten's wages campaign

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Bill Shorten is pledging an overhaul of the visa system for foreign workers, saying this is needed to make sure employers do not import cheap labour instead of hiring locals.

As Shorten campaigns on the theme of wages this week, he will cast the measures he unveils on Tuesday as levelling the playing field for Australian workers, and preventing their pay being undercut.

Meanwhile the government will announce a \$100 million Australian Business Growth Fund to provide long-term capital for small and family enterprises so they can grow without having to give up control.

Scott Morrison says the fund would assist “businesses like a local brewery or restaurant that wants to expand interstate or even overseas, or maybe a family-owned construction company wanting to grow so they can meet demand”.

In its moves in relation to temporary workers, a Labor government would boost the lowest wage that could be paid under a 457-style visa, crack down on the exploitation of foreign workers, and ensure businesses looked to local people first.

“The top end of town [is] turning to temporary work visas to undercut local jobs, wages and conditions,” Labor says in a statement from Shorten, employment spokesman Brendan O'Connor and immigration spokesman Shayne Neumann.

“When businesses use overseas workers as a cheap replacement for local workers it contributes to wage stagnation.”

Labor says there are more than one million underemployed Australians wanting more work, and youth unemployment is 11.7%, compared with the 5% general unemployment rate. There are nearly 1.6 million temporary visa holders with work rights in Australia.

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A Shorten government would raise the Temporary Skilled Migration Income Threshold (TSMIT) to A\$65,000 with annual indexing. This is the lowest wage a worker can be paid under a 457-style visa, and has been frozen since 2013. At present it is about \$54,000.

Loopholes (such as providing substandard accommodation) that enable employers to artificially inflate salaries to meet the TSMIT would be closed.

“Where wages are above the minimum TSMIT, the market salary rate framework will continue to operate as a core component of the temporary skilled visa system,” the statement says.

Labor would take recommendations on this framework from a tripartite body representing government, unions and employers.

To prevent exploitation of workers, an ALP government would

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target exploitative employers by increasing funding for a joint agency taskforce

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create a public register of the number of visa holders engaged by individual workplaces and employers

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require employers to provide their workers with relevant employment documentation and information about support services

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extend the Fair Work Ombudsman's regulatory powers to the inspection of workplaces and investigation of employer breaches of visa work conditions

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extend the current standing for unions to commence civil actions for breaches of the Fair Work Act to include breaches relating to visa work conditions.

Labor says the situation needs to end where about four in five temporary skilled worker visas are given for occupations for which there aren't local shortages.

It would establish a tripartite Australian Skills Authority (ASA) to restrict temporary work visas to filling genuine shortages.

"Labor will also introduce the Australian Jobs Test to prevent labour agreements from being entered into unless they support or create jobs for Australian workers."

As well it would "crack down on unqualified and under-qualified temporary workers by strengthening enforcement of skills assessment and occupational licensing requirements."

Business growth fund

The government says it expects its proposed new business fund would expand to \$1 billion over five to ten years.

Under the plan, "the government will partner with other financial institutions to provide equity funding to small and family businesses".

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It would back 30-50 businesses each year with annual turnovers between \$2 million and \$50 million.

“The Fund will be modelled on the similar vehicles that have been set up in both Canada and the United Kingdom,” the government says in a statement. Since 2011, the Business Growth Fund in the UK has invested about \$2.7 billion over a range of sectors.

The government has been working with banks and other financial institutions on the proposal for the fund, which it believes would get private sector support.

More widely, Morrison said that through its plan for a stronger economy, the Coalition would “create 250,000 new small and family businesses across the country over the next five years.”

Labor would replace Northern Australia Infrastructure Facility

In another Tuesday announcement Labor will commit to replacing the Northern Australia Infrastructure Facility (NAIF) with a new fund to help build nationally-important infrastructure projects like gas pipelines across Queensland and the Northern Territory.

Labor says NAIF, set up by the Coalition government, has been an “abject failure”; hardly anything has been spent and it has been criticised by the auditor-general.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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