



F M R C
FAIRFIELD MIGRANT RESOURCE CENTRE

Senate Employment, Workplace Relations and Education Committee
Inquiry into Current and Future Skills Needs

We would like to thank the Senate Employment, Workplace Relations and Education Committee for opening up this question for public input.

Fairfield Migrant Resource Centre is a community-based organisation funded primarily by the Department of Immigration, Multicultural, and Indigenous Affairs. The service also operates on grants from other areas of state and federal government. The focus of our input is thus on the implications this question has on the livelihoods of refugees and migrants living in Fairfield LGA. Our responses have been organised in line with the terms of reference for this inquiry and are as follows.

(a) areas of skills shortage and labour demand in different areas and locations, with particular emphasis on projecting future skills requirements;

I would like to take to issue the absence of concern over what constitutes 'labour supply'. While shortages and demands represent particular holes in the labour market, there are several supply-side explanations for why these holes occur.

The target group of Fairfield Migrant Resource Centre, and indeed other Migrant Resource Centres, are refugee and migrant communities. These communities for a variety of reasons constitute the largest number of unemployed persons in Fairfield and Liverpool. The Australian Born population in this area has a relative welfare dependency rate of roughly 17% while the Overseas Born population staggers in at over 50%. There are numerous angles this could be viewed from and certainly there are some observers who would like to deduce this to moral attitudes such as greed, laziness, etc. We would argue that prosperity is far more addictive than poverty, and that these holes in the labour market appear as gaps in access and equity policies, not simply gaps in moral attitudes or citizenship obligations.

Government has a dual set of obligations in this respect. Firstly, government needs to function alongside industry to assist them in meeting their demands for labour. Industry is the gatekeeper of employment and government is obligated to facilitate the complex series of processes that lead people into these industries as employees. The second set of obligations is to the country's labour force, present and potential. This set of obligations is of key concern to us as they hold the greatest significance for our target group.

In Fairfield and Liverpool, local government has taken on the task of surveying local industry clusters to establish a working database of the labour and skills need of industry. What will follow, logically, are a series of recommendations by state and

local government on areas of vocational education and training that could be improved, developed or tailored to meet these needs. There is one small problem. There is little to no pre-existing knowledge on where the local population stands in relation to either the labour demands of industry, or the training initiatives being developed by both federal and state government. What we do know is that Fairfield is a highly diverse, highly disadvantaged, highly overlooked and subsequently a highly impoverished community. Serious undertakings are required to determine existing skill and language levels well before meaningful efforts can be made to create dedicated and outcome based employment or training pathways.

According to estimated projections, the Fairfield gross regional product is expected to grow from \$4,084,206 in 1996 to \$9,037,870 in 2021, representing an increase of \$4,953,664 or 121.1% since 1996. The projected trends depict a steadily upward movement in the overall gross regional product. Manufacturing is projected to be the leading sector, accounting for 40% of the total gross regional product. There is also a marked increase in the proportion of Property, construction and other business services in the region of Fairfield/Liverpool. Other key industries include, wholesale trade (7.6%), retail trade (5.1%), transport and storage (7.5%). Finance and insurance is steady in the area at around 2.2%. The industry employing the highest numbers of employed persons in the area is manufacturing, which accounts for approximately 25%. Retail trade (approx 15%), Wholesale trade (approx 10%), Health and Community Services (approx 8%) and Construction (approx 7%). At present it is impossible to project what level of employment demand may be derived from these figures, given increasing rents, various capital outlays and compliance requirements, not to mention profits. With scenarios such as the one above, we cannot expect to rely entirely on the growth of industry alone.

If government is unable to determine and rectify the relative causes and effects of poor performance in labour market and training programs, the implications of further possible welfare/labour market reforms will return more of the same in terms of increased and solidifying levels of highly localised poverty.

There seems to be some confusion as to whether increasing skills would be an advantage or disadvantage to the government's plans for welfare reform. The nature of the proposed reforms tends to suggest that future labour market reforms will in fact be largely dependent on unskilled labour. Three main reasons come to mind:

- 1. The dynamic and casualised labour market will require flexible/trainable and low-cost labour to act as disposable stopgaps against market uncertainties.**
- 2. A fluctuating body of employed/unemployed jobseekers to offset the effects of increased participation rates through the one-payment system.**
- 3. Unskilled labour acts as a security mechanism for both government and industry in terms of justifying both minimum wage arguments and a complimentary minimalist welfare/social security system.**

(b) the effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future skills needs, and any recommended improvements;

Employment and training is an inter-governmental football. This is particularly true where young people and migrants are concerned. In Fairfield we are in need of socially and economically responsible education, training and employment policies that are tailored for a multicultural and multi-disadvantaged community. These policies should then be implemented inline with current and future skills needs of the population. It is difficult to find an example of a training program that has *truly* been developed in direct response to an identified need from our community. Rather, the ‘programs’ that are heralded in our area are implemented from local and state government politicians, as a means of ‘coping with’ *perceived* social problems. There is a great difference between ‘coping with’ and *addressing* problems – and as this inquiry should conclude – the government is fast running out of bandaids on these issues, and the community is growing tired.

Fairfield needs vocational programs that are truly accessible to those most in need. Instead we hear locally that courses and opportunities are not filled because they are not appropriately planned, promoted and implemented. Many different groups and community organisations are now running small English classes and unemployment support groups, but they all seem to struggle to develop regular attendance – in part a result of changed expectations around training and outcomes for Job Network services. There is clearly a large population in need of support in Fairfield, but it should not be the responsibility of community organisations to run English classes and unemployment programs. It is the role of federal government to develop and fund training programs, especially those that improve overall employability and workplace retention. The unemployed and their advocates want to see DEWR identifying current skills needs, in areas where work is available, and then putting in place real skills development programs in conjunction with state government agencies.

For the many young people in Fairfield trying to improve their vocational skills, the lack of public transport is a very difficult barrier to overcome. They simply cannot get to the classes and courses that they want to attend, because there is no public transport, or because they cannot afford to pay the private bus company ticket prices. So it is not simply a matter of putting on more courses, but improving community infrastructure so that courses are more accessible for those most in need.

We have identified these types of concern in our submission into the Senate Inquiry into Poverty, and assert that this set of problems need to be addressed sooner rather than later.

Skilled migrants

One area that demands attention is the area of skilled migration, which makes up the greater portion of the Australian Migration Programme. They are generally targeted for their skills, qualifications or work experience and are assessed on these grounds by the Department of Immigration for the purposes of migration. Upon arrival this group is subjected to a two-year wait on federal government programmes. The responsibility (commonly known as the buck) is passed onto state government who administrate a

Skilled Migrant Placement Program (SMPP). This program operates as though this target group is labour market ready – which in our experience is completely untrue. The program assists skilled migrants in getting qualifications assessed, translated and recognised, in addition to facilitating work experience and job matching. The SMPP does not offer wage subsidies, does not operate on financial incentives, does not have training allocations, and is often competing with job network providers in securing employment positions.

The cruellest part of the overall scenario is that the initial assessment of skills is for *migration purposes only*. Many skilled migrants are later to find out that registered training bodies and professional associations cannot offer an Australian equivalent for their qualifications. Further, employers generally do not acknowledge overseas qualifications or work experience.

Thus the program is flawed on at least three levels:

1. **Government:** because skilled migrants are assessed against their ability to exist independently, the federal government does not offer social security support. However, skilled migrants are largely unaware of what circumstances they will face upon arrival and as such make little preparation. The fact that skilled migrants do not receive income support, travel or medical concessions is not simply a disadvantage to the client, it is also a further point of difficulty for the SMPP who are already in active competition with the Job Network for placements. There has also been feedback where the Department of Education and Training (NSW) has had country profiles of universities and training bodies that were more than twenty years out of date.
2. **Industry:** though skilled migrants may have many years work experience and up-to-date technical training and qualifications, there is still reluctance by Australian industry to acknowledge overseas work experience. There is an unnecessary practice that sees existing local work experience compete with overseas work experience. There are some arguments for this, in terms of understanding the Australian work environment, the legislative conditions surrounding particular work practices, but by in large these are and can be imparted on employees through on- the- job training and orientation. There is also a sense of nationalistic pride, which needs to be overcome if we have already committed ourselves to importing skills, techniques and knowledge from abroad. It also needs to be abandoned in light of particular sets of legislation relating to anti-discrimination in the workplace. This point clearly illustrates one of the origins of discrimination against skilled migrants and the overall need for better planning and coordination between government departments and government levels.
3. **Registered Training Authorities and Professional Associations** – There is much the same level of concern as with industry in that we have reported incidents of institutions not being forthcoming - for much the same reasons - in the recognition of qualifications, particularly academic.

(d)the performance and capacity of Job Network to match skills availability with labour-market needs on a regional basis and the need for improvements;

We have fairly limited commentary on this section, and will confine our discussion to two points. The first point is simply a general observation. There is great concern over the ability of a Job Network service to consistently match jobseekers with employment when the economy is not in a constant state of growth and doesn't have a consistent appetite for labour. There needs to be a clear understanding around what the role of Job Network is, whether it is to construe an activities regime simply for the purpose of mutual obligation, or to actually facilitate employment placements. If the primary function is to facilitate employment, how do we view this set of contracts whilst the economy is in a period of low demand for labour. Is the community, or indeed the client aware of which function the Job Network is undertaking, and in the case of activities for activities sake is this conveyed openly to the recipient of the service?

The second point revolves around the service delivery questions facing this third round of Job Network contracts. While the government assures us that this proposed model will make Job Network more competitive in making placements, it will have less resources this time around to do so. In terms of actual training, it appears that the Job Network is faced with a considerable set of disincentives where training is involved. The financial returns on education placements are minimalist and hence discourage service providers from engaging with clients with considerable training needs. For example, if a Job Network provider was to place an Intensive Support client into employment for an interim period of 13 weeks the agency can look forward to a return of \$4,400. Placing the same student into a secondary outcome, that is education, for a similar period of time the agency can look forward to a mammoth \$550.

The incentive to encourage training outcomes is further retarded by the new measures imposed on Job Network providers in regards to what is classified as an appropriate type of training. **Due to these changes, providers may only benefit from placing clients into training arrangements graded level 4 – diploma level and above.** If the intention was to ensure quality placements in education for clients, then this wrongly assumes that these clients would in the majority of cases be eligible for candidature.

Lets take English language training for example. For a Job Network provider to make a long-term placement into language training they would need to place that client into a diploma level course, which would be a self-defeating exercise given that if the client were eligible for a diploma level English course, they wouldn't need the English language assistance to begin with. This is not to say that community courses are no longer valued. They are acceptable in terms of their ability to occupy time, not for their educational value. Fairfield is a place where generalist minimum standards simply do not apply. For Job Network providers to be able to achieve meaningful outcomes for this client group it is imperative that entry-level courses be recognised – commensurate with the training needs of the client.

We want to see the AMEP program becoming a more employment oriented English program, in addition to its current curriculum. The AMEP benchmark bond is \$2,500

(which is then used by ACL to determine the charges for their fee-paying students) for 510 hours (around \$5 per hour) and this amount is then forfeited if the classes are not taken. This cost is much less than the expense of paying for Newstart and then Intensive Assistance if migrants are still unemployed after the 2-year waiting period, so we would like to see AMEP programs expanded to be available for any NESB community members who experience an English language barrier to employment.

(e) strategies to anticipate the vocational education and training needs flowing from industry restructuring and redundancies, and any recommended improvements; and

We will only see a more difficult future for Fairfield as the expectations of young people are diminished by politically-driven 'placements' to improve the participation rate (and thus deceptively reducing the unemployment rate). The youth of Fairfield (just like the rest of Australia's youth) are actually looking for careers such as multimedia technology, retail and promotions, business management, the entertainment industry and fashion design. Current TAFE and NSW DET programs in Fairfield are focused on industrial apprenticeships and convincing the multicultural population that TAFE is not just about factory work, and they are finding that the youth of Fairfield are unenthusiastic about such prospects. The community's expectations are very important in this discussion, and the Fairfield community do not want to send their children into factories. They are mostly migrant families who have come to Australia to seek a better life, and often are disappointed by the lack of recognition of previous qualifications. So, they seek upward mobility through their children, who they discourage from taking up any careers in manufacturing. This is a significant social force, as emerging communities attempt to establish themselves and live out expectations of owning homes, cars and paying for improved education for their children.

There are actually very few services talking about redundancies, lay-offs and industry restructuring. The exception of-course is the Mature Workers Programme, funded by the NSW Department of Education and Training. This program however tends to operate in isolation and this is further problematised by the competitive environment it finds itself in (eg. Job Network, and poorly funded). Most services are merely reacting in a band-aid manner to individuals or groups of clients; there are no community development workers or agencies that are responsible for monitoring and anticipating industrial restructure in Fairfield.

Another point of embarrassment is that the NAAP does not operate in Fairfield. It is incomprehensible that such a major national youth employment initiative could be put out of the reaches of community in an area where it is needed the most. We know from our networks that employers generally hire trainees/apprentices more out of the availability of government supplements and incentives, than providing appropriate sustainable training opportunities. The incentives for employers need to be focused on completion of training programs and not merely on short-term placements or publicly funded wage subsidies. Placements should also be targeted to the young people who need them most, and in industries where they provide the most advantages to young job seekers.

(f) Consultation arrangements with industry, unions and the community on labour-market trends and skills demand in particular, and any recommended appropriate changes.

There have been no real consultations held between industry, unions and the community in Fairfield in recent years. Community organisations often hear about labour market trends from their clients, but few community groups have any significant contact with local employers. Even fewer have effective contact with unions representing employees in local industries. Some communities in Fairfield are not enthusiastic about union involvement in their workplace, but they do not have any capacities available to negotiate with industry representatives.

Current federal policies are manifesting as a decrease in real support for the poor, for families out of work, for sole parent families and for the youth in Fairfield. With the impending welfare reforms, it appears that many struggling residents of Fairfield will be obliged to ‘volunteer’, yet there are scarce placements available at all in Fairfield.

In an urban area of high cultural and linguistic diversity, Fairfield’s community services are largely run by mainstream and charity organisations, often unrepresentative of the cultural backgrounds they are servicing, despite some advances in recruitment patterns. For key government services to deliver effective multicultural social justice there has to be effective representation of diversity in the employment base, and consultations must be conducted so that diversity is expected and planned for, so that interpreters are utilised, and all proceedings and documents translated for all participants.

These issues taken together, we offer the following recommendations

Recommendations:

- **We recommend a ‘Multicultural Impact Statement’ akin to the ‘Indigenous Impact Statement’ called for by ATSIC to monitor the effect of all government decision-making processes on the NESB migrant and refugee population.**
- **Funding should be provided to establish a national entry-level public sector youth recruitment program, with a special focus on the NESB community and performance indicators to ensure both sustainability and accountability for the program.**
- **Immediate funding and establishment of a NAAP for the Fairfield area.**
- **Federal government utilise the Area Consultative Committee – ACC - (currently under DOTARS) to facilitate inter-departmental cooperation in regions of high economic and social disadvantage. The committee could be used to ensure that the skilled migration program is in tune with Australia’s industrial needs, through a broader – more inclusive – planning mechanism. In this sense the ACC could function in much the same way as NICOMS does for DIMIA in NSW.**
- **Federal government to make representations – and possible outcome based contributions - to state government on extending travel**

concessions to include private buses for persons engaged in vocational education and training.

- State government should commit further funds to community education and training programs that focus on local labour market trends and needs.
- To improve skill supply data we recommend a modification of both the Centrelink and Job Network assessments and technologies for training and employment planning purposes. The assessment should collect data on skill type, skill level, local or overseas – if overseas has it been recognised, qualification type (not just level).
- More creative promotion of various industry types to young people from NESB, as opposed to just manufacturing.
- Open evaluation of the LLNP outcomes to be tabled on a regional basis. In particular, objectives, levels of attendance, performance, apprenticeships in terms servicing NESB target group, and its connection to labour market outcomes.
- Provision of clear information to skilled migrants on the levels of assistance provided in Australia and that there is a marked difference between skills recognition for migrant and employment purposes. We assert that qualifications should be recognised prior to arrival in Australia, and that clear planning around the skilled migration programme would reduce the incidence of competition between localised skills and overseas-derived skill sets.
- All bodies involved in the recognition of qualifications should be required to have current country profiles from all regions.
- A special training provision should be made so that Job Network providers are able to claim training outcomes for entry-level courses for clients assessed as requiring basic training needs, including most importantly English language.
- Programs such as Mature Workers and Skilled Migrant Placement Program be given sufficient financial resources if they are to continue to compete with Job Network providers in securing employment placements.
- Past and future research and pilot initiatives around employment and training to include an information / knowledge share that go into a centralised clearing house. The sharing of information and project results adds to the cost effectiveness of these programs, particular where information exchange yields training and employment outcomes.
- The AMEP English courses should be complimented by an employment oriented English language program (funding shared between DEWR, DEST and DIMIA) of an additional 300 - 500 hours to help the NESB community to become labour market competitive. We recommend that a trial group (approx 100 newly arrived migrants) to be offered this employment oriented English language program, and then their employability could be compared after a year to migrants who have only had access to the AMEP program.

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