

CHINA-AUSTRALIA FREE TRADE AGREEMENT

KEY FINDINGS

THE IMPACT OF THE CHINA AUSTRALIA FREE TRADE AGREEMENT ON AUSTRALIAN JOB OPPORTUNITIES, WAGES AND CONDITIONS

Dr Joanna Howe, University of Adelaide Law School

Labour Market Testing

Labour Market Testing is not required in the Agreement for any company in Australia prior to recruiting:

- Any person from China with 'technical, trade or professional' skills
- Any person from China who works for a company that has a presence in, or exports to Australia
- Any person from China who is an installer or servicer of equipment or machinery from China

Labour Market Testing requirement must be introduced in enabling legislation and be consistent with 457 visa program requirements.

Labour Market Testing must be conducted by independent assessors of skills shortages, not the recruiting employers.

Ability to undercut Australian wages & conditions

The FTA labour market requirements can easily undercut existing wages and conditions, in the same manner they are repeatedly being undercut by 457 visa employers, not least of all because of:

- the relative ease which a company can recruit temporary overseas workers for the purpose of undercutting local competitors' wages and conditions
- the 'bonded' nature of temporary work visas, that gives the employer total control over a person's ability to reside & capacity to earn in Australia - facilitates exploitation of workers

- the lack of material penalties, criminal or civil, to discourage exploitative behaviour by companies
- temporary visa workers' lack of knowledge and ability to access their rights
- the lack of protections for temporary visa workers asserting their rights, especially protection from deportation
- the lack of monitoring or compliance enforcement
 - Department of Immigration and Border Protection, - with 40 inspectors for 1.3 million workers on temporary visas
 - Fair Work Ombudsman - with 300 inspectors for 11.6 million workers

The lack of disincentives for employers to recruit temporary overseas workers to undercut wages and conditions needs to be addressed through legislating higher penalties and compliance enforcement

Investment Facilitation Agreements

The 'Investment Facilitation Agreements', by bypassing legislated procedures for labour market testing and establishing wages and conditions, have the least access for local workers or protections for workers from China.

Work and Holiday Visas

The 5,000 additional working holiday visas will reduce entry level jobs for young Australians, in combination with around 250,000 existing working holiday visas. Low protections for these workers are already emerging as a major problem.