

## **QUICK FIX IS THE WRONG ANSWER TO THE SKILLS CRISIS**

Indonesians digging ditches in the South Australian desert for \$40 a day, Koreans in Sydney who are assaulted by their employer when they complain about not being paid and Philipinos working as slave labor in Canberra restaurants. All of these examples (and there are many more out there still to come to public notice) highlight abuses that are the result of policy failure by the federal government to deal with the skills crisis facing our nation.

The Federal Government's response is to go for the quick fix of importing cheap labour primarily from nearby Asian nations. This solution leaves the very people who voted Howard into office stuck on the shelf while business and government avoid the cost of education and training because it's cheaper to sell out the country's standard of living to an unregulated global labor market.

At the recent COAG meeting Australian State and Federal Government leaders took another step into this sorry process and agreed to dramatically reduce the checks and balances that assess the skills of foreign workers by sending the assessment off-shore and fast tracking the application process from 75 days to 10 days.

The speed with which the Howard Government is moving to lower these controls contrasts with its sluggishness in providing incentives/obligations for Australian employers to train Aussie kids.

This quick fix follows on from the government's recent launching of the Government's Overseas Apprentices Programme, which invites employers to bring young foreign workers to work in regional Australia and have their families pay costs normally met by the government and employers.

For this scheme, young hopefuls from Chennai are now applying to work in conditions well below the normal wage levels in locations as remote as Western Australia's Pilbara region. These poor souls will be totally dependent on the employers good graces, away from familial structures and other support mechanisms. . It is difficult to imagine a young apprentice in a more vulnerable situation – ripe for exploitation.

That the government insists on pursuing large scale migration as an answer to the skills crisis, after more than a decade of unprecedented economic growth, is a disgrace. The unemployment rate for 15 to 24 year olds is almost double the national average and many would relish the opportunity to take on an apprenticeship.

The government need only look at a recent study by Dr Phil Toner, a senior research fellow from the Australian Expert Group in Industry Studies at the University of Western Sydney, which found that some employers had discovered, way back in 2003, that there is a way out of the skills crisis.

Given that 44 per cent of young people who take on apprenticeships drop out in the first six months, Dr Toner's research is welcome because it suggests that increasing numbers of employers are responding to the crisis by offering higher wages. When I speak to apprentices who have dropped out the majority say they felt the employer was using them as cheap labour.

This makes perfect sense, when you consider that the current inadequate wage rates were determined for a teenage workforce living in the parental home. The employers who are doing something to solve the crisis, as Dr Toner has identified, understand that today's apprentices are young adults with living costs that require higher wages.

In August, last year and again in February 2006, the Reserve Bank has declared the skills crisis 'most pronounced among skilled workers in the non-residential construction and resources sectors'. In construction the causes are numerous and complicated but not all that difficult to identify. We have fewer young people today because of the aging population issue and the large public utilities that used to take them on as apprentices are less inclined to because of the commercial imperatives of privatisation.

Other commentators have easily identified a perception among the young that work in the service sector is more highly prized than that of the trades.

This is a sad reality and, as an indication of how significantly this false glamour has skewed Australia's working population, research by Ingrid Linsley, published in the Australian Journal of Labour Economics shows how this trend has left 27.4% of all employees overeducated for the work that they perform. As one respondent remarked, in a submission from the TAFE sector to a recent NSW inquiry, 60 per cent of students want to go to university, 30 per cent actually get there but the nation only needs 15 per cent.

We can turn this situation around if the government encourages an approach that invests in Australia by promoting policy that gets Australians into skilled trades. The new rapid migration approach is a folly and more and more examples of exploitation will come to light as a result.

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