

# CHINA-AUSTRALIA FREE TRADE AGREEMENT LABOUR AND EMPLOYMENT

# FACTS

## INVESTMENT FACILITATION ARRANGEMENT

### Fact!

The level playing field for non-Chinese developers, builders and contractors for major projects in Australia, will be eradicated by concessions to China on an 'Investment Facilitation Arrangement' (IFA).

### UNDER CHAFTA

The side deal on IFA projects over \$150 million, but with only \$22m contribution from Chinese, can employ all Chinese labour - without trades' skills assessment to Australian standards.

There is no requirement for Labour Market Testing, ie. to advertise jobs locally first.<sup>1</sup>

The Chinese workers' wages and conditions will not be subject to the labour laws and procedures all other workers in Australia are entitled to.

This applies to the following sectors and trades.

### In these sectors:

- Infrastructure development
- Food and agribusiness
- Resources and energy; transport
- Telecommunications
- Power supply and generation; environment
- Tourism

The areas which will be subject to negotiation between DIBP and the project company in respect of the eligible project will include:

- (a) the occupations covered by the IFA project agreement;
- (b) English language proficiency requirements;
- (c) qualifications and experience requirements; and
- (d) calculation of the terms and conditions of the Temporary Skilled Migration Income Threshold (TSMIT).

China - Australia Free Trade Agreement - Memorandum of Understanding on an Investment Facilitation Arrangement - Paragraph 4

**There will be no requirement for labour market testing to enter into an IFA.**

China - Australia Free Trade Agreement - Memorandum of Understanding on an Investment Facilitation Arrangement - Establishment of IFA

<sup>1</sup> Dr J Howe. The Impact of the China Free Trade Agreement on Australian job opportunities, wages and conditions. University of Adelaide, 2015

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**Fact!** There are more than 800,000 people in Australia unemployed and looking for work.<sup>1</sup>

## UNDER CHAFTA

Employers wanting to recruit skilled workers from China are not required to advertise jobs to unemployed Australians first.

China - Australia Free Trade Agreement Chapter 10, Article 10: 4 Paragraph 3. b)

**Fact!** Youth unemployment in Australia is more than double the national unemployment level at over 13%, the highest rate in over a decade.<sup>2</sup>

The number of people with working holiday visas in Australia has been escalating at double digits, with over 250,000 in Australia already.<sup>3</sup>

## UNDER CHAFTA

Australia guaranteed a minimum of 5,000 working holiday visas a year for young Chinese in Australia.

There are no reciprocal visas for Australia's young people to work in China.

**Fact!** More than 30,000 companies in Australia already employ temporary 457 visa skilled workers.<sup>4</sup>

More than 100,000 skilled overseas workers a year are being recruited on 457 visas, as local unemployment has risen to its highest level in over a decade.

There are already more than 1.2 million visa holders in Australia with work rights.<sup>5</sup>

## UNDER CHAFTA

Australia has committed to China that temporary working visas to skilled Chinese workers will be unlimited.

3. In respect of the specific commitments on temporary entry in this Chapter, unless otherwise specified in Annex 10-A, **neither Party shall:**
- (a) **impose or maintain any limitations on the total number of visas to be granted to natural persons of the other Party; or**
  - (b) **require labour market testing, economic needs testing or other procedures of similar effect as a condition for temporary entry.**

China - Australia Free Trade Agreement Chapter 10, Article 10.4, Clause 3A, 3B

<sup>1</sup>ABS Labour Force 6202.0 July 2015

<sup>2</sup>Ibid

<sup>3</sup>Department of Immigration and Border Protection, Annual Report

<sup>4</sup>Hansard, Legal and Constitutional Affairs Legislation Committee, Estimates(Public)Tuesday, 26 May 2015, CANBERRA, Mr. David Wilden, First Assistant Secretary, Immigration and Citizenship Policy Page 89

<sup>5</sup>Department of Immigration and Border Protection, Annual Report



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## SKILLS ASSESSMENT AND OCCUPATIONS

### Fact!

There are 130,000+ fewer people in vocational training and doing apprenticeships than in 2012. Falling more than 15% a year, as fewer employers are taking on apprentices.

National Centre for Vocational Education Research (NCVER), Apprentices and trainees 2015 - March quarter, 4 September 2015

### Fact!

Training standards for electrical, and other occupations, are developed through extensive consultation and expertise from industry, insurance, regulatory and training bodies to ensure skills and knowledge attainment meet regulatory and industry standards to optimise sectoral operability and public safety.

E-Oz Energy Skills Australia, 2015

### UNDER CHAFTA

Skills testing to Australian standards will be abolished for the following occupations on the day of commencement of the Agreement.

- Electricians
- Cabinetmakers
- Carpenters
- Motor & Diesel Mechanics

### Fact!

There are no cultural exchange employment visas for Australians in China.

### UNDER CHAFTA

Australia guarantees entry for up to four years, with the possibility of further stay, for up to a combined total of 1,800 per year of:

- Chinese chefs
- Wushu martial arts coaches
- Mandarin language tutors and
- Traditional Chinese Medicine practitioners



THE HON ANDREW ROBB AO MP

MINISTER FOR TRADE AND INVESTMENT

**Australia will remove the requirement for mandatory skills assessment for the following ten occupations on the date of entry into force of the Agreement.**

Automotive Electrician [321111]  
Cabinetmaker [394111] Carpenter [331212]  
Carpenter and Joiner [331211]  
Diesel Motor Mechanic [321212]  
Electrician (General) [341111]  
Electrician (Special Class) [341112]  
Joiner [331213]  
Motor Mechanic (General) [321211]  
Motorcycle Mechanic [321213]

**The remaining occupations will be reviewed within two years of the date of entry into force, with the aim of further reducing the number of occupations or eliminating the requirement within five years'.**

China - Australia Free Trade Agreement: Side Letter on Skills Assessment and Licensing