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457 visa system is allowing exploitation of imported workers by middlemen and unscrupulous employers

Revelations of exploitation of workers on 457 visas show the system must be changed, the ACTU said today.

ACTU Secretary Dave Oliver said reports of Filipino workers being placed into huge debts in order to get 457 visas, and then mistreated by employers in Australia, showed the dangers of the rapid and uncontrolled expansion of the 457 visa program.

"Workers on 457 visas, or other temporary visas, must be treated the same as their Australian counterparts, not be used as cheap labour or to drive down pay and conditions," Mr Oliver said.

"Employers should commit to the local economy by investing in training and innovation that helps enrich Australia's workforce capacity. They should not be able to undercut local wages and conditions by exploiting people from other countries in vulnerable situations.

"Today's reports raise major concerns the current system is allowing the exploitation of 457 visa-holders by loan sharks and unscrupulous employers in Australia.

"The 457 system is being used to exploit Filipino workers, who are required to pay huge sums to middlemen – often the equivalent of four years average wage in the Philippines – to get a 457 visa and a job in Australia.

"Reports that they are required to take out a loan at 45 per cent interest to pay these middlemen will disturb all Australians.

"These arrangements may not be illegal, but they are taking advantage of poor, vulnerable workers and should be condemned."

That's why there must be a genuine labour-tested skills shortage and international workers must not be left at the mercy of agents and loan sharks.

"457 visa workers are already reliant on their employer to maintain their migration status. This makes it difficult for them to speak up about exploitation or safety breaches. If they are also paying off a massive debt then they are left powerless."

"The union movement is concerned that 457 visas can be used to recruit compliant workers who are afraid to speak out about under-payment or other abuses."

Mr Oliver said the union movement had a strong record of supporting permanent skilled migration and accepted the need for 457 visas in some areas.

"However, we need to ensure that 457 visas are only available where companies can show they have tried to recruit local workers, and that the Immigration Department properly monitors employers who use 457 visas," Mr Oliver said.

“We also need to ensure that we are training local workers to fill future skills shortages, not simply relying on 457 visas.

Mr Oliver said the number of workers who came to Australia on 457 visas had increased by 20 per cent over the past 12 months. As of April 2013 there were 56,946 visas granted.

The number of 457 trades and technician workers arriving has increased by 15.4% in a year, at a time when thousands of jobs have been lost in key Australian sectors including construction, mining and manufacturing. The number of people starting trade apprenticeships has fallen to its lowest level since 2009, down 4000 to 21,500 in the September quarter.

“These figures show that the 457 visa program is out of whack,” Mr Oliver said.

“Increasing the use of guest workers while locals struggle to get training or break into the workforce is not in our long-term interests.”

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