



**RECRUITMENT AND CONSULTING
SERVICES ASSOCIATION
AUSTRALIA & NEW ZEALAND**

Department of Immigration and Border Protection

457 Integrity Review: Training Fund Contribution

Submission of

Recruitment and Consulting Services Association (RCSA)

August 2015

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Introduction to RCSA

The Recruitment and Consulting Services Association Australia & New Zealand (RCSA) is the leading industry and professional body for the private employment services sector in Australia and New Zealand which includes recruitment, on-hire worker and HR services. It represents over 3,000 company and individual Members with over 60% of Australian on-hire workers being employed by RCSA members.

RCSA members assign (on-hire) and place employees and independent contractors with businesses, governments and not-for-profit organisations operating within every industry in Australia and provide workforce consulting services to improve the productive capacity of Australian business in an ever-changing global economy.

Members of RCSA provide advice, information, support and guidance in relation to recruitment, employment and workforce management matters to business and government from small and medium sized business through to multinationals and the Commonwealth Government.

The RCSA membership is focused on promoting positive outcomes for business, workers and governments across Australia. The RCSA sets the benchmark for recruitment and on-hire industry standards through representation, education, and research and business advisory support.

All RCSA member organisations and Accredited Professionals agree to abide by the ACCC authorised RCSA Code for Professional Conduct.

RCSA members, as professional employers and work facilitators, operate within the workplace relations framework with their clients and know it intimately. Their knowledge, understanding, interpretation and support of the aims of the framework are evident in dealings that they have with their clients, employees and independent contractors every day.

The RCSA believe that a progressive and pragmatic approach to the provision of on-hire worker service in Australia is, and will continue to be, a key element in the achievement of balanced Australian workplaces where vulnerable workers are protected and the workforce and business are free to prosper to provide productivity, wealth and security to Australia's workforce and the wider community.

RCSA Code for Professional Conduct

RCSA has a Code for Professional Conduct (the Code) which is authorised by the ACCC. In conjunction with the RCSA Constitution and By Laws, the Code sets the standards for relationships between Members, best practice with clients and candidates and general good order with respect to business management, including compliance. Acceptance of, and adherence to the Code, is a pre-requisite of Membership. The Code is supported by a comprehensive resource and education program and the process is overseen by the Professional Practice Council, appointed by the RCSA Board. The Ethics Registrar manages the complaint process and procedures with the support of a volunteer Ethics panel mentored by RCSA's Professional Practice barrister.

RCSA's objective is to promote the utilisation of the Code to achieve self-regulation of the on-hire worker services sector, wherever possible and effective, rather than see the introduction of additional legislative regulation.

RCSA CORPORATE MEMBERSHIP CATEGORIES OF SERVICE



1

ON-HIRED EMPLOYEE SERVICES

A commercial service where an organisation, in return for an hourly fee, assigns one or more of its employees to perform work for a third party (client) under their general management and instruction.

2

CONTRACTING SERVICES

A commercial service where an organisation, in return for a fee, completes a defined scope of work for a third party (client). Such services may be performed utilising employees or sub-contractors employed or engaged by the service provider.

3

CONTRACTOR MANAGEMENT SERVICES

A commercial service where an organisation, in return for a fee, recruits independent contractors on behalf of a third party (client) and, following direct engagement of the independent contractors by the client, the organisation manages the ongoing supply of the independent contractors and their contract performance.

4

JOB PLACEMENT

A commercial service where an organisation, in return for a fee, recruits on behalf of a third party (client) candidates that match a desired profile for employment or engagement by the client.

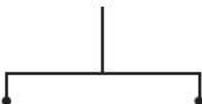
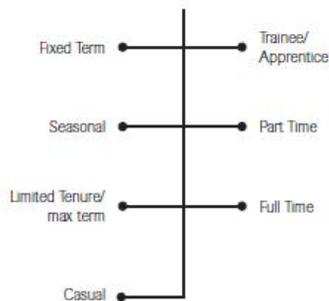
5

WORKFORCE CONSULTING SERVICES

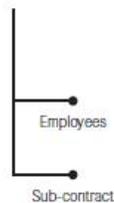
A commercial service where an organisation, in return for a fee, identifies and/or responds to client workforce issues and implements strategies designed to assist clients to achieve business success.



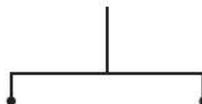
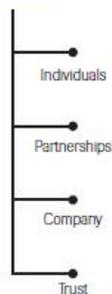
EMPLOYMENT CATEGORIES



MANAGED PROJECT/ CONTRACT SERVICES

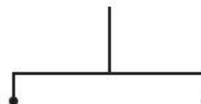


SUB-CONTRACT



INDEPENDENT CONTRACT RECRUITMENT

CONTRACT MANAGEMENT



CANDIDATE PLACEMENT

JOB PLACEMENT SERVICES



OCCUPATIONAL HEALTH & SAFETY

EEO

EMPLOYEE RELATIONS

HR MANAGEMENT

CHANGE MANAGEMENT

OUTPLACEMENT

CAREER MANAGEMENT

RCSA Submission Overview

RCSA's Core Submission

1. The Discussion Paper is seeking feedback from industry as to proposed changes to replace the current training benchmarks for businesses sponsoring visa holders with an annual training levy.
2. The proposed training fund will invest in training and support initiatives, traineeships and apprenticeships and mentoring programmes for sectors such as the aged care and disability care sectors.
3. A number of RCSA members currently have in place On-Hire Labour Agreements that have been negotiated with the Government to allow them to recruit a specified number of skilled workers on a temporary or permanent basis over a number of years.
4. RCSA believes this proposal overlooks conditions within existing On-Hire Labour Agreements to meet expenditure on training positions for Australian staff, being either;
 - training expenditure equating to 2% of total gross wages on training Australians
 - 5 per cent of skilled ANZSCO (skill level 1 to 2) workforce is recent Australian graduates
 - 15 per cent of its trade workforce is Australian apprentices or recent Australian Apprentices
5. These training programs are already, and have been, in place for some time and are now built into the operations of those companies.
6. This proposal will at least double the costs of training for On-Hire Labour Agreement holders (i.e. training fund contribution plus their existing commitments to training) and in many cases their training fund contributions will be directed to industry sectors far removed from the areas in which operate or currently offer training programs.
7. RCSA believes the proposed introduction of a training fund will also disadvantage existing On-Hire Labour Agreement holders for the following reasons:
 - a. Payment of the training fund contribution at time of lodgement of a visa application does not recognise the inconsistent timeframes between when an application is lodged and when, or if, the offer of a visa and job is taken up by the applicant;
 - b. Acceptance of a role by a skilled-visa applicant is highly reliant on a number of external factors such as registrations and approvals from bodies other than the Department which requires on average 15 to 18 months;
 - c. Retention of skilled-visa holders via a Labour Agreement is generally 12 to 18 months following which they seek Permanent Residence or other arrangements. The proposed levy will result in a high cost for On-Hire Labour Agreement holders to subsidise training for non-related industry sectors.

8. RCSA is requesting an exemption from contributions to the proposed training fund for existing On-Hire Labour Agreement holders as there already exists a requirement for training expenditure within the On-Hire Labour Agreement.

RCSA Member Case Study:

If we were forced to pay the training levy we would have to cease our support of graduate training. It would be too expensive to cover both (particularly factoring in the cost of providing the training for the graduates).

RCSA Member, Labour Agreement holder since 2008 and coordinator of a Graduate Training program for Engineers.

The RCSA member has held successive On-hire Labour Agreements since April 2008 (and Standard Business Sponsorship prior to that) having sponsored 457 visa holders for over 15 years. This has been predominantly in the area of professional engineering.

Upon the inception of the On-hire Labour Agreement this member put in place strategies to reduce its reliance on offshore workers by introducing undergraduate work experience programs which later translated into significant employment opportunities for recent graduates.

This member currently utilises the 5% (of skilled workforce) of recent graduate regime to comply with the training requirements of our Labour Agreement and has employed over 140 such local graduates since mid-2012.

We are very proud of the fact that we have maintained this training requirement and in a very positive way by giving young engineers the opportunity to enter the industry.

The member has a Professional Training and Development Policy to ensure they provide the necessary training and development opportunities to enable employees to perform their role effectively. Employee training and development is seen as a vital aspect for the growth and effectiveness of the organisation to enhance performance, effectiveness and productivity.

They have an ongoing strategic alliance with a training company to provide employees (particularly new graduates) with various levels of training ranging from short courses in management, strategic planning and project management: through to MBA certification. This ongoing commitment is to provide the best possible training for employees, which they believe will continue to reduce their need to source candidates from overseas.

Typically they have offered the following specific courses to their engineering graduates during the period of the Labour Agreement:

- Project Management Fundamentals
- Effective Time Management
- Team Leadership
- Effective Presentations

Clients also provide specific training as well as on-the-job training and we monitor the graduates' progress with periodical assessment to ensure they are on the correct path to become eligible for full membership of Engineers Australia.

They would like to maintain this program if possible without the additional impost of a 'training levy' and believe this would be much more effective in reducing reliance on overseas workers by integrating young locally trained engineers into the workforce.

RCSA Commentary

The impost of an additional training levy on Labour Agreement holders would appear to go against the objectives of the 457 Integrity Review which included determining how to not place further and unnecessary administrative burden on business.

RCSA believes the proposed training fund contribution will dis-incentivise Labour Agreement holders by forcing them to decide between either no training, through the compulsory redirection of budget for training to other industry sectors, or to double their expenditure on training to meet the requirements of this proposal and the costs of training which is an integral part of any business operation.

While RCSA understands the desire of government to maintain a focus on creating employment opportunities for Australian workers (and not filling those roles with 457 visa holders), we believe an exemption should be granted for existing Labour Agreement holders that have genuine and successful programs in place to maintain existing training programs that create employment opportunities for skilled-workers.

The RCSA thanks the Department for the opportunity to make this submission. RCSA would welcome the opportunity to provide further information and to meet with the Department to discuss the specifics of this recommendation.

For further information please contact Simon Schweigert, Manager Media and Government Relations on (03) 9663 0555 or sschweigert@rcsa.com.au