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Workplace Relations Inquiry  
Productivity Commission  
GPO Box 1428  
CANBERRA CITY 2601

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## **Introduction**

The Federation of Ethnic Communities' Councils of Australia (FECCA) is the national peak body representing Australia's culturally and linguistically diverse (CALD) communities and their organisations. FECCA provides advocacy, develops policy and promotes issues on behalf of its constituency to Government and the broader community. FECCA supports multiculturalism, community harmony, social justice and the rejection of all forms of discrimination and racism so as to build a productive and culturally rich Australian society. FECCA's policies are developed around the concepts of empowerment and inclusion and are formulated with the common good of all Australians in mind.

FECCA is pleased to respond to the Productivity Commission's Workplace Relations Framework Inquiry. In this submission FECCA highlights a number of issues regarding employment conditions and the workplace relations framework including the low incomes of many migrant and refugee workers, and the added disadvantage which CALD women face in the workforce.

## **Culturally and linguistically diverse workers in Australia**

FECCA has consistently highlighted the plight of workers from CALD backgrounds who face specific barriers in the workforce, particularly with regard to language, literacy and other cultural and linguistic factors that may prevent them from attaining and securing permanent employment. Many of these factors also significantly affect the bargaining power of migrant, refugee and international students in the workplace.

People from CALD backgrounds are among the most vulnerable in the workplace and tend to be concentrated in the sectors of the job market which create a potential for exploitation. Factors which contribute to this vulnerability and lack of bargaining power include lack of familiarity with a new culture and customs and lack of English language proficiency. CALD workers also find themselves being the target of negative stereotypes and racist behaviour in hiring practices and at work.<sup>1</sup> Migrant and refugee workers often bear the heavy responsibility of providing financial support for family in their country of origin. In a study conducted by Professor Graeme Hugo and cited in the Senate committee report on

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<sup>1</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 124 – 125.

inequality in Australia, the research found that it was not unusual for recent African migrants to send 10 to 20 per cent of their weekly income to their families in their homeland or in a refugee camp.<sup>2</sup>

CALD workers have reported experiencing difficulties securing recognition for their overseas qualifications and skills in Australia. Research undertaken by the Australian Greek Welfare Society found that one third of participants had experienced structural barriers that hindered the efficient recognition of their qualifications.<sup>3</sup> Many local employers prefer Australian work experience, thus migrants and refugees who have developed skills in their overseas employment have difficulty having this work recognised by Australian employers.<sup>4</sup> Humanitarian entrants, especially those from small and emerging communities, may be unable to demonstrate previously held qualifications due to their inability to bring documents from their country of origin. Skills atrophy is also a problem for workers who have had time out of the workforce as a result of their refugee or migration experience. Humanitarian migrants may also underutilise their skills because they feel pressure to accept insecure employment, impeding longer-term career advancement.<sup>5</sup>

A history of multiple displacements denies refugees normal benefits, for example educational opportunities, associated with continuity of life patterns. It is likely that refugees have experiences of trauma, including torture, dispossession and abuse by those in authority, which can make it difficult for individuals to assert themselves in a situation of power imbalance.

Many people from CALD backgrounds are employed in insecure work which is often low paid, unsustainable, dangerous and isolating. The negative impacts of Australia's insecure employment on CALD employees not only affects individuals and their workplaces but, on a much larger scale, impacts Australia's productivity, welfare systems and social cohesion. More research into the experiences of CALD insecure workers is needed to determine the extent of engagement in insecure work and the effects of this work.

The Australian Greek Welfare society found that exploitation of migrant and refugee workers was occurring in Australia, in particular paying employees below the minimum wage.<sup>6</sup> Newly arrived workers often do not have an understanding of their entitlements under the Australian workplace relations scheme including the National Minimum Wage or National

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<sup>2</sup> Ibid, 125; Professor Graeme Hugo and the Department of Immigration and Citizenship, *A significant contribution: The economic, social and civic contributions of first and second generation humanitarian entrants*, 'Summary of findings', 2011, 40.

<sup>3</sup> Ibid, 125; The Australian Greek Welfare Society, *The Journey of New Greek Migrants to Australia: Opportunities and Challenges* (November 2014), 55-56.

<sup>4</sup> Ibid, 56.

<sup>5</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 124.

<sup>6</sup> Ibid, 59 – 60.

Employment Standards. These workers are also not aware of enforcement mechanisms that exist including the services provided by the Fair Work Ombudsman.<sup>7</sup>

Employees from non-English speaking backgrounds generally have poorer employment outcomes in Australia compared to native English speaking workers. Many migrants and refugees are earning at or below the minimum wage. As recognised by the Senate Community Affairs References Committee in their report on the extent of income inequality in Australia, income is a key factor in determining the economic wellbeing of most Australians.<sup>8</sup> It is concerning that CALD workers in Australia are on such low incomes.

Newly arrived migrants (particularly those without English) are more vulnerable to poverty and disadvantage.<sup>9</sup> As an example, 38 per cent of skilled stream migrants and 58 per cent of family stream migrants have incomes of less than \$600 a week.<sup>10</sup> Humanitarian stream migrants overwhelmingly earn less than the minimum wage. 72 per cent of Humanitarian stream migrants have incomes of less than \$600 a week, 21 per cent earn between \$300 and \$599 per week, and almost 42 per cent of these migrants are in the lowest income group (\$1 to \$299 per week).<sup>11</sup>

### **Culturally and linguistically diverse women**

Migrant and refugee women experience the intersecting disadvantages of being from CALD backgrounds and being women. Women are more likely to be low paid employees- that is earning below, at, or just above the minimum wage. Research undertaken by Fair Work Australia utilising data from 2007 found that 51 per cent of low paid employees were women compared with 47 per cent of the total workforce.<sup>12</sup> For women from CALD backgrounds, this disadvantage is compounded. Women from CALD backgrounds are overrepresented in insecure employment fields which include industries such as manufacturing, accommodation, food services, cleaning and labouring. They are more likely to be employed on a casual basis and to be at a disadvantage negotiating terms of employment.

### **CALD workers with disabilities**

People with disabilities from CALD backgrounds also experience intersecting disadvantages. On average, those with disability in Australia have lower incomes than those without

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<sup>7</sup> Ibid, 60.

<sup>8</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 147.

<sup>9</sup> Ibid, 103.

<sup>10</sup> Australian Bureau of Statistics, *Understanding Migrant Outcomes – Enhancing the Value of Census Data, Australia, 2011*, available at: <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/3417.0Main%20Features22011?opendocument&tabname=Summary&prodno=3417.0&issue=2011&num=&view=>

<sup>11</sup> Ibid.

<sup>12</sup> Nels L, Nicholson P, Wheatley T (2011), *Employees earning below the federal minimum wage: review of data, characteristics and potential explanatory factors* Minimum Wages and Research Branch, Fair Work Australia.

disability.<sup>13</sup> The average weekly income for a working age person with a disability (\$344) is nearly half that of a person without a disability.<sup>14</sup> Further, less than 10 per cent of people on the Disability Support Pension earn an income. Of those that do, close to half have earnings less than \$250 a week.<sup>15</sup> People with disability are more likely to be working part time than people without disability.<sup>16</sup>

People with disability are also under-represented in the Australian workforce; the labour force participation rate is only 54 per cent for people with disability aged 15-64, compared with 83 per cent for those without disability.<sup>17</sup> In their 2014 report on Disability Employment Services, the National Ethnic Disability Alliance (NEDA) wrote: “[w]hile people with a disability are ready to participate in the Australian workforce and possess significant skills and experience; these individuals continue to be unemployed and in some cases, continue to face precarious employment”.<sup>18</sup> NEDA identified that CALD people with a disability face many of the disadvantages outlined in the submission, in addition to additional barriers to sustainable and meaningful employment as a result of their disability. These additional barriers include discrimination, especially in hiring practices, if disability and/or mental health disorder is being disclosed, stigma, cultural indifferences and community intolerance, and exclusion from interaction and inclusion in their formal school years which can lead to difficulties when transitioning from high school to the labour force market.<sup>19</sup>

## Conclusion and recommendations

Changes to the minimum wage, particularly the lowering of this wage, would disproportionately affect CALD workers, many of whom already earn at or below the minimum wage. Any moves to a workplace relations system which places more emphasis on individual bargaining than collective bargaining and awards would disadvantage migrant and refugee workers who often have a lack of bargaining power due to the factors described in this submission.

The Federal Government should also consider the intersection of factors including gender and disability which can compound disadvantage for CALD workers.

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<sup>13</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 117.

<sup>14</sup> Ibid; Deloitte Access Economics, *The economic benefits of increasing employment for people with disability*, Commissioned by the Australian Network on Disability, August 2011, 13.

<sup>15</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 117; Deloitte Access Economics, *The economic benefits of increasing employment for people with disability*, Commissioned by the Australian Network on Disability, August 2011, 15.

<sup>16</sup> Ibid.

<sup>17</sup> Senate Community Affairs References Committee, *Bridging our growing divide: Inequality in Australia* (December 2014), 118.

<sup>18</sup> National Ethnic Disability Alliance, *Disability Employment Services (DES) Consumer Engagement Project Report* (June 2014), 10.

<sup>19</sup> Ibid, 22-23.