

**EXTRACT: AMMA CEO Steve Knott opening address – AMMA Migration Forum
Brisbane, 8 August 2013**

8.45 – 9.00am

Good morning and welcome to AMMA's 2013 Migration Forum.

For those of you I have not had the pleasure of meeting, I am AMMA's chief executive Steve Knott.

This is the second time we have held this migration-specific event here in Queensland's capital – one AMMA's main membership hubs.

And skilled migration – both in the political sphere and its importance to our industry is still very much a topical issue.

We have a great program of speakers lined-up for you today which I will tell you more about shortly.

But first, I'd like to briefly reflect on the extraordinary events that have taken place since we last held this event in 2012.

Speaking at this conference last year, then minister for immigration Chris Bowen pledged his support for the need for skilled migration.

Despite the relentless and misleading union campaign that by then was in full swing, Minister Bowen also said enterprise migration agreements would instil confidence in investors and secure thousands of jobs and training for Australians.

We know now that our industry's first EMA approval was stalled indefinitely and the merits of this progressive policy were soon forgotten.

Of most concern for the resource industry was that the politics behind the sudden policy reversal, and the scare campaign that ensued, has served to damage Australia's reputation as a positive and stable place for resources investment and threatened our access to critical and secure skills for which we compete globally.

It didn't take long for the union movement to ramp up its rhetoric against migrant workers and, when then PM Gillard jumped on her soap box in Western Sydney earlier this year, the

result was a raft of ill considered and damaging legislative changes to the 457 skilled visa program.

Through our submissions to government, a senate inquiry appearance, private meetings and public lobbying, AMMA as your industry employer group staunchly defended the small but absolutely significant role of skilled foreign workers in the resource industry and what *had* been an effective temporary skilled migration scheme.

Throughout it all, AMMA warned that the global business community was watching.

Let's look at the state of the industry.

Today, Australia's portfolio of committed and not-yet- approved projects still ranks as one of the world's strongest, but we cannot escape the fact that in the last year, \$150 billion worth of resource industry investment has been delayed or pulled from our country.

Queensland's resource employers are also feeling the impact of declining commodity prices and softening confidence.

Nonetheless, the state has a healthy \$81 billion worth of major resource and related infrastructure projects either committed or under construction. Much of this is due to the state's LNG sector, which accounts for 78% of that total capital value.

And despite the media's voracious appetite for doom and gloom, official ABS employment figures show that there are in fact more people working across the state's resource projects than this time last year – about 73,000 thousand people in total.

Importantly for the future of resource activities in this state, the latest government analysis had Queensland with about \$107 billion worth of projects at the feasibility stage. With the state's unemployment rate at a 10-year high of 6.4%, it is vitally important that these potential investments are able to come to fruition in the state.

Access to temporary skilled migrants is imperative to providing investor certainty that the labour-intensive construction phases of projects can be delivered on time and on budget.

Our industry is a small user of skilled migrants. Around 97% of the national industry's workforce are local workers and this has been consistent over the past five years.

However, when we do need them, skilled labour is often vital to safety, maintenance and project delivery.

We work in a global industry, characterised by multinational companies operating in mature and emerging resource nations, meaning we are not alone in our pursuit for often globally scarce skills or new investment.

The most recent changes to the 457 visa program were announced in March 2013 and passed through parliament in June, days after the first act of the leadership circus in Canberra.

The new conditions include the introduction of labour market testing and more stringent English language requirements. Given the immigration department itself said in February that the program was both responsible and responsive to changing economic conditions, it is hard to justify the need for such changes when offset by increased regulatory burden for employers.

AMMA was deeply concerned to see the politically charged context in which these changes developed and then communicated to the public – without industry consultation – and subsequently rushed through parliament, with guillotined debate.

The depiction of highly skilled migrant workers as needing to be ‘put to the back of the queue’ ignored that the rules already encouraged skilled migration to be used as a small gap-filler supplement to Australian labour.

AMMA was quick to denounce this borderline xenophobic dog-whistling as having no place in a modern, multicultural Australia. We made clear that there would be no commercial sense in displacing the employment prospects of Australian workers.

No doubt that from your own professional experiences, you will know that employers already faced a high regulatory bar in accessing the 457 visa program: training benchmarks to be met, market conditions provided for, sponsorship costs incurred, relevant skills and qualifications demonstrated and compliance records kept.

So where do we stand now?

With an election on the horizon, our next federal government needs to focus its policy efforts on ensuring Australia's skilled migration program provides employers with certainty, transparency and accessibility.

Focus should be on streamlining access to skilled migrants rather than creating regulatory burden on employers.

Resource employers need assurance that the program will not be subject to further political point-scoring and demonisation of essential foreign workers contributing to our global industry.

The labour agreement approval process must be more user-friendly and subject to rapid processing to allow resources companies to respond more quickly to skills shortages.

And when next needed, enterprise migration agreements must be approved in a timely and effective manner, free from bureaucratic paralysis.

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