

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES HEARING : 17 October 2016

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(SE16/163) - Investment Facilitation Arrangements - Programme 3.2: Trade Facilitation and Industry Engagement

Senator Pratt, Louise (L&CA) written:

1. Through Investment Facilitation Arrangements (IFAs), made under a separate MOU alongside the China Free Trade Agreement, companies making investments of more than \$150 million in certain infrastructure development projects can access skilled overseas workers if suitable local workers cannot be found. The Department of Foreign Affairs and Trade website states that, under Investment Facilitation Arrangements (IFAs), 'employers are not permitted to bring in overseas skilled workers unless there is clear evidence of a genuine labour market need, as determined by the Department of Immigration and Border Protection.' What does the department consider to be 'clear evidence'? What assessment criteria are used in determining labour market needs?
2. Chinese company Tianqi Lithium is building a \$400 million lithium plant in Kwinana, Western Australia. Has there been an application made for an IFA for this project?
3. If so, what evidence has been provided to assess labour market needs? Will this be made public?
4. Given that unemployment in Kwinana was at 11.5% in the June 2016 quarter, can the department assure us that local labour will be used on this project?

Answer:

1. The Department of Foreign Affairs and Trade (DFAT) provides the initial consideration of applications by project companies for access to Investment Facilitation Arrangements (IFAs). This assessment is made against a range of eligibility criteria as detailed in the IFA Memorandum of Understanding (MoU). Once DFAT is satisfied that all eligibility criteria have been met, DFAT notifies the Department of Immigration and Border Protection (DIBP) of its recommendation that the proposed project constitutes an eligible project under the terms of the MoU. DIBP and the project company may then enter into negotiations for a project agreement.

The first tier of a project agreement focuses on occupations identified by the project workforce strategy for inclusion in an overarching deed of agreement with the project company. This first tier is supported by labour market analysis and stakeholder consultation. Project companies will be expected to demonstrate a good understanding of the Australian labour market and provide a strong business case for occupations likely to be in shortage, supported by detailed labour market analysis and stakeholder consultation.

Once an overarching deed of agreement is in place, employers may seek to be endorsed by the project company for a labour agreement. Employers must demonstrate that Australians have been provided with first opportunity for employment, supported by evidence of domestic recruitment efforts. This is a regulatory requirement.

2. The Department of Foreign Affairs and Trade is responsible for the assessment of any applications for Investment Facilitation Arrangements by Chinese companies.
3. As above.
4. The Department of Immigration and Border Protection has not been approached in relation to the workforce needs of the proposed project by Tianqi Lithium.