MANAGING LABOUR MIGRATION:

TECHNOLOGY WORKERS

The 7th ADBI-OECD-ILO Roundtable on Labour Migration in Asia

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WITH YOU
TODAY

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TRENDS & UPDATES

INTRODUCTION

- **Global trends:** Brexit and Trump victory raise concerns about uncertainty and trends towards protectionism as opposed to globalisation

- **Local trends:** very different approaches and initiatives being taken in each country in Asia Pacific region leading to frequent changes and restrictions

- **Singapore:** encouraging hiring and development of local talent but acknowledging foreign talent still needed subject to more restrictions. But, Australia/Singapore Free Trade Agreement likely to provide special exemptions for Australians

- **Hong Kong and Australia:** also tightening up immigration requirements and encouraging the hiring of locals

- **China, Japan and South Korea:** attracting foreign professionals with specialized skills and knowledge to contribute to their economic growth by providing streamlined processes and talent visas

- **Indonesia:** continues to make immigration complicated, uncertain and restrictive especially with increased regulation of some sectors and from time to time some nationalities (when only issuing six months non-renewable work permits issued)

SINGAPORE
TRENDS & UPDATES

Background	Since the implementation of mandatory job posting under Fair Consideration Framework (FCF) in 2014, MOM and TAFEP have been monitoring ratio of foreign to local workers and have placed over 250 companies with disproportionate ratio on a watch list
FCP Requirements	Companies with > 25 employees must advertise for jobs paying less than S$12,000 per month in government job bank and are encouraged to develop Singaporean staff to strengthen Singaporean core in the workforce
Impact to IT Companies and Workers	• Government identifying recalcitrant employers who are not fairly considering qualified locals • Greater scrutiny of companies with more than half the population who are foreign nationals on employment pass and who have not shown commitment to hire and promote Singaporeans • A large number of IT Consultancy companies have been subject to scrutiny and placed on watch list

SINGAPORE
TRENDS & UPDATES

- IT companies have a common model to deploy foreign IT workers for projects
- IT companies also have difficulties recruiting Singaporeans with sufficient IT expertise
- FCF exemption for intracompany transferees for "managers", "executives" and "specialists", but Ministry often rejects applications on this basis especially for IT workers as high level of expertise required
- Companies on watch list have delays of up to three months in processing work pass applications
- Once on watch list, companies have six months to improve their Singapore ratio and HR practices or risk having work pass rights withdrawn

Increased Salary Requirements: With effect from 1st January 2017 increase in minimum salary requirements (now S$3,600 and higher for experienced and older employees) in order to make sure foreigners not undercutting market by being paid less than locals.

Reduced Scope of Work Pass Exempt Activities: IT services removed from list of exempt activities permitted for up to 60 days.

HONG KONG
TRENDS & UPDATES

Background: The Hong Kong Audit Commission examined the Hong Kong Immigration Department's processes on the administration of various work authorization schemes. As a result of the Audit Commission's report published in April 2016, we have seen a tightening of the internal adjudication process of work authorization applications by the Immigration Department.

Audit Commission: The Audit Commission, set-up by the Hong Kong Government has been established to provide independent, professional and quality audit services to assist the Government and public sector organizations enhance public sector performance and accountability.

Audit Commission's Report impacts IT companies and IT workers:

- Genuine local recruitment efforts to be conducted by companies
- Greater scrutiny of employment visa applications sponsored by companies who have not shown genuine commitment to hire local Hong Kong nationals

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- Scrutiny of staffing ratio between local and foreign staff
- Stricter assessment on foreign national's academic qualifications
- Stricter assessment on foreign national's specific and relevant work experience, e.g.: availability of proprietary software in Hong Kong
- Remuneration package (salary plus allowances) should broadly be commensurate with the prevailing market level for professionals in Hong Kong (targeting companies employing/assigning foreign employees to Hong Kong from low-salary jurisdictions)
- Skills and technology transfer
- Training and development of local Hong Kong staff

AUSTRALIA
TRENDS & UPDATES

Background: The Australian government has become concerned about the low proportion of Australians in the ICT sector, and whether the proliferation of workers on temporary visas is driving down wages.

Requirements: ICT occupations are currently exempt from labour market testing requirements but sponsors need to demonstrate that they do not discriminate against Australians in recruitment, and that they are offering remuneration that is consistent with Australian market rates.

Current focus:

- Whether overseas-owned ICT companies are giving fair consideration to Australian job aspirants
- Greater scrutiny of remuneration components such as per diem and in country allowances used to make up remuneration packages to Australian market rates
- More robust examination of the methodology sponsors use to compare visa holders' remuneration with market rates

QUESTIONS?

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