

RECEIVED  
20 FEB 2007

BY: mig

Submission No. 57
Date Received

19 February 2007

The Secretary  
Joint Standing Committee on Migration  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Dr Sullivan

**Inquiry into eligibility requirements and monitoring, enforcement and reporting arrangements for temporary business visas**

The Australian Industry Group (Ai Group) welcomes this opportunity to comment on the operation of the temporary business visa system. The Employer sponsored visa category has made an important contribution to Australia's ability to address the current widespread skill shortages, providing many Ai Group member companies with a badly-needed source of skilled labour.

Nationally 15,230 permanent and 71,150 temporary visas were granted under the various employer-sponsored categories in 2005-06. These categories have accounted for some 26% of primary visa grants for the year ending 30 June 2006. This represents an 83% increase for these sectors from the previous year.

Ai Group has hosted two immigration officers since the Industry outreach initiative commenced in 2005. The two DIAC officers have provided immigration information and advice to more than 2,000 companies and they have assisted several hundred Ai Group members gain access to overseas skilled tradespersons with sponsors from the construction, manufacturing and mining sectors. We regard the Industry outreach initiative as having done much to facilitate the uptake of offshore skilled labour by employers who are not able to source such labour domestically.

Such skill shortages continue to hurt businesses throughout Australia undermining their competitiveness at a time of increasing pressures from such factors as increasing global competition for domestic markets and our export markets and the high Australian dollar. Shortages among the traditional trades are particularly intense and the 457 Initiative offers employers a flexible alternative at a time when alternatives to employ labour locally are in some circumstances non-existent.

Over one third of Australian companies have cited that they had lost contracts due to the 'inability to secure skilled labour'<sup>1</sup> with over 74% of companies identifying skill shortages as the major barrier to company success and competitiveness over the next three years<sup>2</sup>. The most recent Skilled Vacancy Index (DEWR Jan 2007) rose by 1.4% in January with persistent trade shortages being felt across the board. Notably increased vacancies occurred in the wood trades, building and engineering, associate professionals/technicians, metals, automotive, chefs, printing and hairdressers. It is clear that persistent skill shortages, particularly at the trade level, are impacting on the capacity of Australian business.

Over the past two years there has been major publicity given to cases of unscrupulous employers paying employees on temporary business visas salaries below the prescribed Minimum Salary Level (MSL) or failing to provide other conditions of employment mandated by the Immigration authorities. Abuses of the Initiative by a small minority of employers should be rigorously addressed. Efforts to improve compliance with the Initiative - provided they do not result in too high a regulatory burden on sponsors which would effectively undermine the flexibility of the Initiative - are supported. It is important that both sponsors and visa holders are aware of their rights and responsibilities under the Initiative, and the potential sanctions for breaching any of its requirements.

One aspect of compliance that has been raised by some of our members is the uncertainty regarding the obligation for sponsors to guarantee the health costs incurred by applicants through the public health system. There is a need to amend DIAC documentation (including forms) to clarify the nature and extent of sponsors' obligations in this regard.

Ai Group is of the view that the current mechanism whereby the assessment of skills is carried out by the potential sponsor should be retained, in preference to a more formal (and more unwieldy and time-consuming) skills assessment process. Where doubts exist as to the accuracy of claims regarding qualifications, the Department of Immigration and Citizenship (DIAC) should investigate such breaches.

On the issue of Occupational Health and Safety, it is understood that OH&S is of paramount importance in the workplace. However, when assessing this issue from the perspective of language skills, it should also be understood that there are already many workplaces in Australia where Australian citizens and permanent residents have little or very low level English language skills and appropriate OH&S regulation exists to address this situation. We do not regard it as necessary for visa holders to have a level of English higher than that required to undertake their duties in an efficient manner and to meet OH&S standards.

There are call centres in Australia, for example, which exclusively service particular foreign language markets and there is no requirement for the employees to speak English. Employers in such workplaces have a duty of care to ensure the OH&S of their staff, and there are many obvious ways that this can be done (for example, translating work procedures and warnings into relevant languages).

---

<sup>1</sup> World Class Skills for World Class Industries, May 2006

<sup>2</sup> *ibid*

It would be most appropriate if sponsors were given principal responsibility to determine whether the proposed visa holder's level of English was suitable for the relevant position. Consideration could be given to using English proficiency testing as a discretionary final measure in situations where reasonable concerns remain after employers have been provided with the opportunity to use internal assessment procedures.

Temporary business visas are highly valued by industry as a means to source temporary skilled labour at a time of high skill shortages and the system has our strong support.

Yours sincerely

A handwritten signature in black ink, appearing to read "Heather Ridout". The signature is written in a cursive style with a horizontal line underneath.

Heather Ridout  
Chief Executive