

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 22 May 2006

IMMIGRATION AND MULTICULTURAL AFFAIRS PORTFOLIO

(91) Output 1.1: Migration and Temporary Entry

Senator Carr asked:

1. What do you think are the reasons for the changes in the source countries for 457 visa-holders?
2. I note that the number of Indian nationals granted 457 visas has grown since 2000 by 112% and the number of Africans by 53%. At the same time, the number of Singaporeans has dropped by 26% and that of Americans by 14%. Isn't the difference here that the former set of countries are low-wage countries, while places like Singapore or the US have high wages, compared to Australia?
3. What does this information imply to the Department?
4. Have you done or commissioned any studies on these trends in numbers and/or source countries? Can you provide us with details and copies of any relevant reports?

Answer:

1. The Subclass 457 programme is a demand-driven programme reflecting the demand by employers for skilled labour in the Australian economy. Changes in source countries for Subclass 457 visa holders reflect changes in employers' sourcing of skilled labour.
2. There has been strong growth in the overall Subclass 457 programme between 2001-02 and 2005-06, with growth in absolute numbers in the overwhelming majority of source countries. (The only country with more than five primary visa grants in 2001-02 to have declined in absolute terms is Syria.)

The following table details growth in primary Subclass 457 visas (excluding Independent Executives and rounded to the nearest 10) for selected countries and geographical regions between 2001-02 and 2005-06:

| Country | 2001-02 Grants | 2005-06 Grants | % Growth |
|----------------------------------|-------------------|-------------------|----------|
| Singapore | 190 | 400 | 115% |
| Netherlands | 210 | 570 | 172% |
| North America | 1,970 | 3,530 | 79% |
| United Kingdom | 5,820 | 9,830 | 69% |
| Philippines | 290 | 2,470 | 772% |
| North Africa and the Middle East | 220 | 440 | 104% |
| Sub-Saharan Africa* | 850 | 2,470 | 191% |
| India | 1,850 | 3,990 | 116% |

* South Africa and Zimbabwe make up more than 90% of Sub-Saharan Africa.

3. There has been strong growth in the overall Subclass 457 programme between 2001-02 and 2005-06, with growth in absolute numbers in the overwhelming majority of source countries. The growth reflects the strength of the economy, the rapid rate of job creation (around 180,000 per annum) and the emergence of major skill shortages.
4. No research commissioned on trends by source country.