

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 22 May 2006

IMMIGRATION AND MULTICULTURAL AFFAIRS PORTFOLIO

(96) Output 1.1: Migration and Temporary Entry

Senator Carr asked:

1. With regard to the cities of Sydney, Melbourne, Brisbane and Perth, please provide details of the requirements for, or guidelines pertaining to, labour market testing measures associated with the process of approving applications from employers to become sponsors under visa subclass 457.
2. Has there recently been a change to these requirements, or an announcement of a forthcoming change? Please provide details.

Answer:

1. Traditional approaches to labour market testing have progressively been phased out for the 457 visa. This followed a report commissioned by Minister Bolkus in 1994. That report recommended, inter alia, that traditional labour market testing be abolished for “key activities”. Experience with the highly subjective concept of “key activities” during the late 1990s was that employers tended to identify almost all positions they were seeking to fill from overseas as “key activities”. In order to clarify matters, the concept of “key” and “non-key” activities were replaced on 1 July 2001 with skill and salary thresholds. As Australia’s unemployment rate is highly polarised, with very low rates of unemployment for skilled people and relatively high rates of unemployment for unskilled people, the new regulations stipulated that:
 - a. For highly skilled positions (ie. in ASCO 1-4 groups), no labour market testing would be required (as was the case previously with “key-activities”); and
 - b. For semi skilled positions, certification by a Regional Certifying Body that the position cannot reasonably be filled locally would be required.

Unless covered by a specific Labour Agreement, businesses seeking foreign workers for Brisbane, Gold Coast, Newcastle, Sydney, Wollongong, Melbourne and Perth can only nominate positions equivalent to the Australian Standard Classification of Occupations (ASCO) major groups 1-4 and must meet the Minimum Salary Level that applies to the nominated position. These major groups broadly correspond to managers and administrators, professionals, associate professionals, and skilled tradespeople.

Special arrangements for regional Australia were introduced on 1 July 2002. These arrangements allow regional employers to sponsor skilled workers in semi-skilled occupations where they obtain certification from a local Regional Certifying Body that the position cannot reasonably be filled locally. On 1 July 2006, gazetted minimum salary thresholds were extended to cover regionally based positions.

2. The current requirements relating to skilled positions nominated under the 457 visa programme have been in place since 1 July 2001. Some of these matters are being examined by the Commonwealth State Working Party on Skilled Migration as directed by COAG/MCIMA.