

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 23 MAY 2011

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(BE11/0076) Program 1.1: Visa and Migration

Senator Brown (L&CA 28-30) asked:

I wanted to ask about the 37 457 visas which have been granted in Tasmania to Ta Ann, a wood processing firm from Malaysia which has established in southern Tasmania. Regarding the 27 visas that have been granted there for up to four years, what is the situation regarding the unavailability of the Tasmanian economy, for example, to provide for wood machinists out of the state with one of the higher unemployment rates in Australia that justified the granting of those visas?

Answer:

Departmental records show that Ta Ann currently has 21 primary subclass 457 visa holders, four of whom are wood machinists.

It should be noted that Ta Ann's sponsorship agreement has expired. This means that although they may still employ their current visa holders, they may not sponsor any further workers without applying for approval to become a standard business sponsor again.

The subclass 457 program is designed to ensure that employers only use the program when there is a genuine skills shortage. Once overseas recruitment and compliance costs are factored in, there are greater costs to engage overseas workers compared to equivalent domestic skilled workers. Employers applying to sponsor overseas workers must attest in writing that they have a strong record of, or demonstrated commitment to, employing local labour and non-discriminatory employment practises. Employers must also demonstrate their commitment to training Australian workers by meeting stringent training benchmarks.

Considering these safeguards there is no direct requirement to formally test the local market before an employer may sponsor workers under the subclass 457 program. In fact, the introduction of labour market testing may put Australia in breach of its World Trade Organization General Agreement on Trade in Services (WTO GATS) commitments and its Free Trade Agreements (FTA).