



Australian Government
**Department of Resources,
Energy and Tourism**

51 Allara Street, Canberra City ACT 2601
GPO Box 1564, Canberra ACT 2601
Phone (02) 6276 1000
www.ret.gov.au

ABN 46 252 861 927

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Mr Tim Bryant
Committee Secretary
Senate Legal and Constitutional Affairs Committee
legcon.sen@aph.gov.au

Dear Mr Bryant

RE: Inquiry on the *Migration Amendment (Temporary Sponsored Visas) Bill 2013*

Thank you for your correspondence of 18 June 2013 to the Secretary of the Department of Resources, Energy and Tourism, Mr Blair Comley, inviting a submission to the Senate Inquiry into the *Migration Amendment (Temporary Sponsored Visas) Bill 2013*.

Please find attached the Department's submission.

Yours sincerely

Bruce Wilson
Acting Deputy Secretary

**Department of Resources, Energy and Tourism – Submission into the Senate Inquiry
on the *Migration Amendment (Temporary Sponsored Visas) Bill 2013***

Background to Submission

The following submission is made by the Department of Resources, Energy and Tourism in response to the inquiry into the *Migration Amendment (Temporary Sponsored Visas) Bill 2013* (the Bill).

The Department of advises Government on policy options for Australia's resources sector and works closely with industry stakeholders and State and Territory Governments.

General Comments

The Bill presents a package of reforms that aims to balance the interests of Australian workers with the need to strengthen protection for overseas workers.

RET places a high priority on ensuring the reforms do not impact sponsors that are using the subclass 457 visa as intended. Industry consultation is an important process to ensure that the reforms do not introduce unnecessary complexity or administrative burden.

Employers that are using the program as intended should already be advertising positions in the local labour market before seeking to sponsor overseas workers. There are clear economic incentives under the current policy to encourage employment of Australian workers before seeking overseas workers, and any instances of deliberate misuse of the program are a matter for compliance monitoring and enforcement.

Labour market testing

The Department notes that it is important to ensure that businesses have access to a broad range of supporting evidence. This is important as the release cycles for independent occupation specific reports vary considerably and a high proportion appears to be updated on a twelve monthly basis.

Additional background information on the resources and tourism sectors use of the subclass 457 visa program is provided on the following pages.

ADDITIONAL INFORMATION

Resources sector use of subclass 457 visas

Temporary skilled migration makes a relatively small contribution to the resources sector workforce (around 2.5 – 3.5 %). This proportion has remained relatively stable over the last five years while the resources workforce has grown by almost two thirds (63.3%). This implies that the proportion of 457 visa holders among new workers has been comparable to the proportion of 457 visa holders in the overall resources sector workforce.

Contribution of 457 visa holders to mining workforce

	Feb/April 2013 (Latest)	May/June 2012	May/June 2011	May/June 2010	May/June 2009	May/June 2008
Employees in mining industry – as at May (ABS, Trend data)	263,500	267,200	215,300	184,000	161,700	161,400
Subclass 457 visas mining-sponsored, as at June (DIAC)	8,540	7,860	5,230	5,020	5,720	5,460
Per cent contribution from 457 visa holders	3.24%	2.94%	2.43%	2.73%	3.54%	3.38%

Sources: DIAC 457 visa statistics <http://www.immi.gov.au/media/statistics/statistical-info/temp-entrants/subclass-457.htm>

ABS 6291.0.55.003 - Labour Force, Australia, Detailed, Quarterly (Table 4 – Trend data)
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/6291.0.55.003>

The resources sector employers sponsored 7.8 per cent of all 457 visa holders in Australia as at 30 April 2013. This reflects the significant and rapid growth in the resources sector workforce over recent years, and is consistent with the policy intention of the demand-driven, employer-sponsored subclass 457 visa.

However, resources sector workforce growth has softened and may have plateaued since mid-2012. And this is clearly reflected in the decline of over 20 per cent, in the number of applications lodged and 457 visas granted for workers sponsored in the resources sector.

Mining industry – subclass 457 Visa Applications

	2011-12 full year			2012-13 year to date		
	2011-12	% Change from 2010-11	% of total 457 visas	1 July 2012 to 31 April 2013	% Change from 2011-12	% of total 457 visas
Applications Lodged (mining)	6,630	66.4%	9.2%	5,350	-24.5%	6.6%
Applications Granted (mining)	6,460	77.2%	9.5%	5,200	-21.8%	7.1%
457 visa holders sponsored by mining, in Australia (stock)	7,860 (as at 30 June 2012)	50.3%	8.6%	8,540 (as at 30 April 2013)	n/a	7.8%

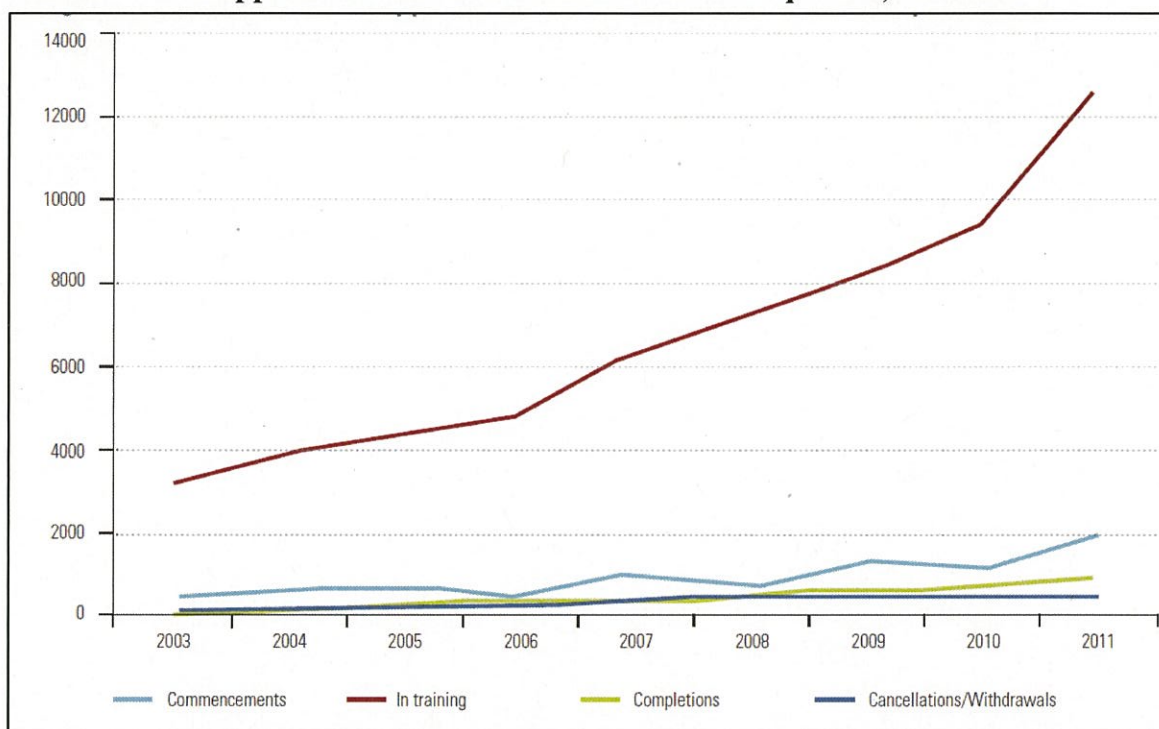
Sources: DIAC 457 visa statistics <http://www.immi.gov.au/media/statistics/statistical-info/temp-entrants/subclass-457.htm>

Resources sector investment in training

Resources sector use of subclass 457 visas does not appear to coincide with a reduced investment in training. Data from a National Centre for Vocational Education Research (NCVER) report¹ commissioned by the Minerals Council of Australia (MCA) demonstrates that the mining industry employs approximately 11,000 apprentices and trainees across Australia, representing around 5 per cent of the total mining workforce. The mining industry spent \$1.147 billion on training in 2011-12, representing 5.5 per cent of total payroll on training expenditure.

The growth trend for the number of apprentices and trainees in training for the minerals sector almost quadrupled over the eight years from 2003 to 2011 (i.e. growing by approximately 291.2% over 8 years).

Minerals sector apprentices and trainees as at December quarter, 2003-2011



Note: The 'in-training' series illustrates the trend in the level of industry training effort. The December quarter data used may obscure a significant proportion of training commencements and completions in each year.

Tourism sector use of the 457 visa program

While representing only a small proportion of tourism industry employment, the subclass 457 visa is an important policy measure to respond to skills shortages in the tourism and hospitality industry. The total number of 457 visas granted for the "accommodation and food services industry" for 2011-12 was 3,660. At 30 June 2012, there were 2,020 cooks and 1,480 chefs working in Australia under 457 visas. As an industry with a significant proportion of small-to-medium enterprises and with skilled shortages forecast to continue (26,000 by 2015), it is important to ensure that the process for using 457 visas is as streamlined as possible.

¹ http://www.minerals.org.au/news/new_report_debunks_myths_about_mining_education_and_training

² AWPAs October 2012. *Resources Sector Skill Needs Report 2012* (Table 4.1, page 27)