

**This submission to the Senate Legal and Constitutional Affairs Committee's Inquiry into the framework and operation of Subclass 457 visas, Enterprise Migration Agreements and Regional Migration Agreement is a joint submission from the Department of Immigration and Citizenship (DIAC); the Department of Education, Employment and Workplace Relations (DEEWR); the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCS RTE); and the Department of Resources, Energy and Tourism (RET).**

## **1. Overview of the Subclass 457 visa program**

1.1 Since its commencement in 1996, the Temporary Work (Skilled) (Subclass 457) visa program has played an important role in the Australian economy. It is a demand-driven program, enabling Australian employers to address workforce needs by sponsoring genuinely skilled workers to fill vacancies where an appropriately skilled Australian cannot be found to fill the position. The Subclass 457 visa program aims to support and complement existing domestic education, training and skills development by allowing businesses to sponsor overseas workers over the short term to address confirmed labour needs, while they invest in training and skills development of Australian citizens or permanent residents to meet longer-term needs. The program is not intended to address longer-term workforce needs.

1.2 The program is underpinned by two fundamental tenets:

- to enable a business to sponsor a skilled overseas worker if they cannot find an appropriately skilled Australian citizen or permanent resident to fill a skilled position; and
- to ensure that the working conditions of a sponsored visa holder are no less favourable than those provided to an Australian worker and that overseas workers are not exploited.

1.3 A major reform of the Subclass 457 visa program was conducted in 2008-09, resulting in the *Migration Legislation Amendment (Worker Protection) Act 2008* (the Worker Protection Act), which amended the *Migration Act 1958* (the Act). The Worker Protection Act 2008 took effect from 14 September 2009 and introduced a range of sponsorship obligations to ensure the working conditions of sponsored visa holders meet Australian standards and that visa holders are not exploited.

1.4 This legislation introduced strong economic incentives for employers to employ Australian workers first. Costs to the employer of sponsoring a Subclass 457 visa holder include:

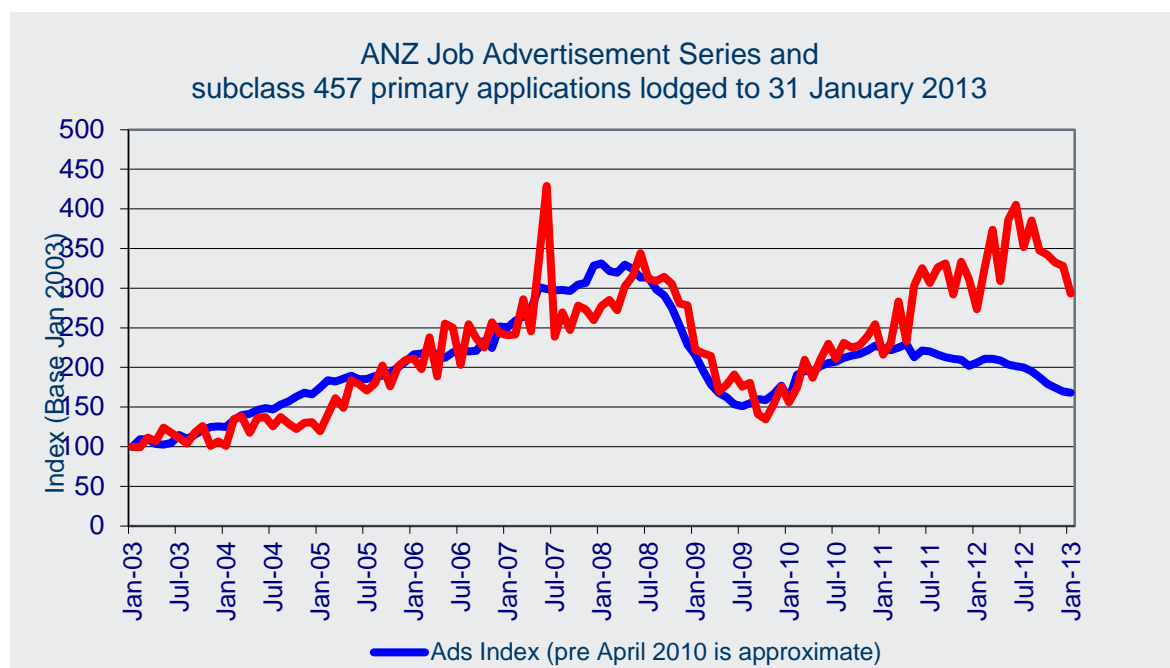
- paying sponsorship and nomination fees;
- costs of recruitment;
- providing equal terms and conditions including paying market rate;
- maintaining a financial commitment to training levels;
- being liable for the cost of return travel to the person's country of origin; and

- meeting training expenditure benchmarks.

1.5 These costs, in addition to the provision of equal terms and conditions of employment for overseas workers, make foreign workers more costly to employ than Australian workers, provided that there are Australian workers available and that employers abide by the intent of the legislation.

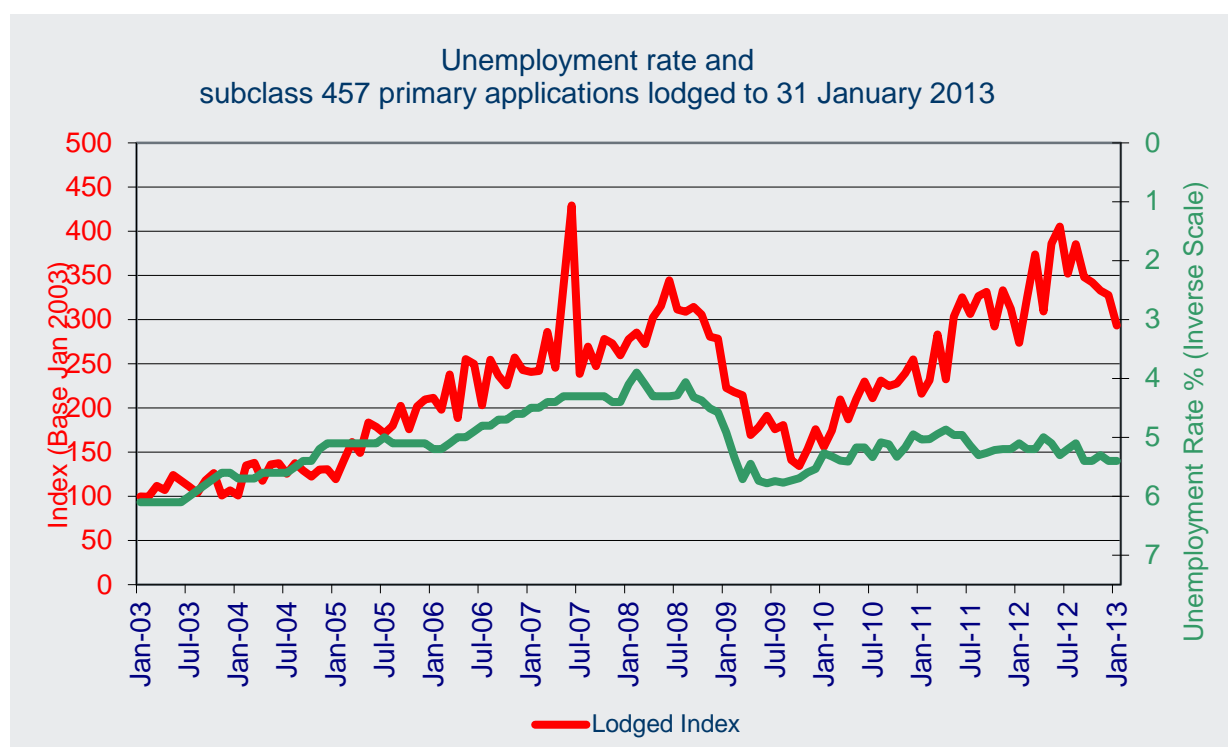
1.6 Since 2004-05, the Subclass 457 visa program has been growing strongly. A record number of primary Subclass 457 visas (68 310) <sup>1</sup> were granted in 2011-12, although this number decreased in the first half of 2012-13. Graph 1 represents the correlation between job advertisements (blue line) and Subclass 457 primary visa applications (red line) lodged in the ten-year period to January 2013. Graph 2 represents the correlation between the unemployment rate (green line) and Subclass 457 primary visa applications (red line) lodged during the same period. (Note that the sharp increase in lodgements in June 2007 coincided with the introduction on 1 July 2007 of an English-language requirement for trades-level occupations).

**Graph 1: ANZ Job Advertisement Series and Subclass 457 Primary Applications lodged to 31 January 2013**



<sup>1</sup> <http://www.immi.gov.au/media/statistics/pdf/457-stats-state-territory-june12.pdf>

**Graph 2: Unemployment rate and Subclass 457 Primary Applications lodged to 31 January 2013**



1.7 As the above graphs demonstrate the Subclass 457 visa program has continued to grow since July 2011 to mid-2012 despite a softening of the Australian labour market. While most employers are using the Subclass 457 visa appropriately, it is possible under the current program settings for employers to source skilled workers from offshore without sufficient commitment to recruiting or training locally by using various loopholes in the current legislative framework.

1.8 This shortcoming is being addressed by the introduction of measures to strengthen the integrity of the program. The package of measures being brought forward for implementation on 1 July 2013 will allow for greater rigour to be applied in the assessment of Subclass 457 visa nominations. These measures will strengthen the integrity framework, and importantly, do so without adversely impacting on those businesses which are using the program to address genuine skill needs.

### Specialist Migration Arrangements

1.9 Specialist migration arrangements provide the Australian Government with the flexibility to stipulate a range of requirements for businesses when seeking to recruit overseas workers in occupations which are not specified under the standard Subclass 457 visa program. These programs give employers access to a greater range of occupations, balanced with a higher level of scrutiny of the need for these occupations and the availability of workers locally.

1.10 A **labour agreement** (LA) is a formal agreement between an Australian employer and the Commonwealth that allows the employer to recruit overseas

workers where Australian workers are not available or cannot be trained within accepted timeframes to fill positions requiring a high level of skill or specialisation. Labour agreements provide a targeted and flexible response to genuine labour needs in the Australian labour market where standard migration programs and pathways are not available or appropriate. In considering a submission for a labour agreement by an employer, the Department of Immigration and Citizenship (DIAC) requires a great deal of documentary evidence regarding the employer's claims and the proposed parameters of the labour agreement undergo an extensive and thorough assessment process.

**1.11 Enterprise Migration Agreements (EMAs)** are custom-designed, project-wide migration arrangements that act as an umbrella arrangement for large scale resource projects. They are designed to supplement the local labour force to meet a temporary spike in demand associated with major project construction, to the extent there are demonstrated labour or skill needs. To be eligible to request an EMA resource projects must have a capital expenditure of more than two billion dollars and a peak workforce of more than 1500 workers.

**1.12** The Government announced the implementation of EMAs in the 2011-12 Budget following recommendations from the National Resources Sector Employment Taskforce. In its final report, the taskforce noted the projected shortage of skills and labour needs of mega resource projects and supported the introduction of EMAs as a new temporary migration initiative to help address the skill needs of the resources sector. EMAs are intended to ensure peak workforce needs for major resources projects are met even when demand cannot be filled from the Australian labour market, thereby easing capacity constraints and ensuring economic and employment benefits can be realised. EMAs aim to streamline the temporary skilled migration for major resources projects, and support business and investor confidence in advance of making the final investment decision.

**1.13** The former Minister for Immigration and Citizenship gave in-principle approval to enter into an EMA with Roy Hill Holdings (RHH) for the Roy Hill Iron Ore Project, subject to negotiation of a Deed of Agreement. The Government and RHH are currently negotiating the terms of the EMA. Any agreement between the parties needs to accurately reflect relevant Australian laws. At the time of writing a Deed of Agreement for the project has not yet been executed, no contractors have been able to access overseas workers through the EMA, and no visa applications have been lodged or decided in relation to the EMA.

**1.14 Regional Migration Agreements (RMAs)** were announced as a new temporary skilled migration initiative in the 2011-12 Budget. The RMA program is designed to help regions impacted by major resource projects or in remote areas. The program targets regions that are isolated from large population centres or experiencing workforce needs, including as a result of the resources boom. The Government is currently considering a submission for a RMA from the Northern Territory Government.

## **2. The process of listing occupations on the Consolidated Sponsored Occupations List (CSOL) and the monitoring of such processes**

2.1 The Consolidated Sponsored Occupations List (CSOL) which underpins the Subclass 457 visa program is based on the skill level of occupations as defined in the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The list is approved by the Minister for Immigration and Citizenship following consultation between DIAC, the Department of Education, Employment and Workplace Relations (DEEWR) and the Australian Workforce and Productivity Agency (AWPA).

2.2 The CSOL applies to the Subclass 457 visa, the Subclass 186 Employer Nomination Scheme, the Subclass 190 Skilled – Nominated visa and Subclass 489 Skilled Regional (Provisional) visa. All of these visas require sponsorship by an employer or nomination by a State or Territory Government. The CSOL includes skilled occupations to allow regional employers to access temporary skilled migration (especially the State nominated and Skilled Regional (provisional) visa program) where there is a genuine workforce need.

2.3 These visa programs are designed to meet the skill needs of Australian employers throughout Australia or the jurisdictional needs of States and Territories. For this reason, an appropriate balance needs to be struck between allowing employers' access to workers which they need to sponsor to retain their skills, and ensuring that appropriately skilled migrants would be accessing the skilled migration program. Most occupations specified in ANZSCO with a skill level of 1, 2 or 3 are on the CSOL, unless a particular occupation has significant integrity concerns or Australian citizenship is a pre-requisite for appointment.

### **3. The process of granting Subclass 457 visas and monitoring of these processes, including the transparency and rigour of the process; the accessibility of the program and criteria against which applications are assessed**

3.1 There are three processing stages in sponsoring an employee from overseas under the Subclass 457 visa program:

#### **Sponsorship**

3.2 Before an Australian business is able to sponsor an overseas skilled worker on a Subclass 457 visa, they must be approved as a Standard Business Sponsor. They do this by:

- having a strong record of (or a demonstrated commitment to) employing local labour and non-discriminatory employment practices; and
- demonstrating a financial commitment to training Australians

3.3 Processing of the sponsorship by DIAC involves assessment of the employer to ensure that they are operating lawfully and that they meet training benchmarks. These benchmarks are set out in a Legislative Instrument and specify that employers must either demonstrate that they have expended 1 per cent of their pay roll expenditure on the provision of structured training to their own employees or alternatively that they have made a contribution equivalent to 2 per cent of their payroll expenditure to an Industry Training Fund. They must also demonstrate a commitment to continuing to provide training at the relevant expenditure amount for the life of the sponsorship. Thus, in order to be able to access the Subclass 457 visa program participating employers must demonstrate that they are contributing towards training Australians to address longer term labour shortages. Training expenditure is not required to be directed to Australian workers in the same occupation or employed by the same employer. This allows the flexibility to direct training effort where it provides maximum economic benefit.

#### **Nomination**

3.4 Before a position in a business can be filled with an overseas worker, the approved standard business sponsor must:

- certify that the nominated visa applicant is suitably skilled and the qualifications and experience of the applicant are commensurate with those that would be required of Australians employed in the nominated occupation; and
- demonstrate that the terms and conditions of employment are no less favourable than those provided to Australians to perform equivalent duties in that particular workplace or the local labour market.

3.5 At the nomination stage the processing officer also assesses that the business sponsor is remunerating their workers at a level over the Temporary Skilled Migration Income Threshold (TSMIT) which is indexed every year (currently set at \$51,400). The type of evidence that an assessing officer would consider may include employment contracts for Australian employees in equivalent positions or data on employment websites including Seek or Job Outlook.

### **Visa Application**

3.6 All nominated Subclass 457 visa holders must demonstrate that they have the skills, qualifications and experience to perform the occupation for which they are nominated and have sufficient proficiency in the English language. Many trade occupations are also required to undergo a formal skills assessment. When assessing a visa application, the processing officer needs to be satisfied that the applicant has the skills to perform the tasks associated with the occupation for which they have been nominated by examining formal qualifications and relevant work references. The indicative skill levels for approvable occupations are set out in ANZSCO.

## **4. The adequacy of the tests that apply to the granting of Subclass 457 visas and their impact on local employment opportunities**

4.1 Consideration of the potential impact on the local labour market is built into each processing stage in the Subclass 457 visa program.

### **Are sponsors using the local labour market?**

4.2 Sponsors must attest, in writing, that they have a strong record of, or a demonstrated commitment to both employing local labour and non-discriminatory work practices. This attestation is presently non-binding. The proposed legislative reforms will address this, further discussion of which is at 11.2.

### **Are sponsors training Australians?**

4.3 The training of Australian citizens and permanent residents by business sponsors is a fundamental component of the Subclass 457 visa program. It ensures that where a business has chosen to access an overseas worker they are actively reducing their reliance on the program in the future by upskilling Australians in that field. In order to achieve these aims, sponsors are required to meet certain training benchmarks.

4.4 The current training benchmarks require business sponsors to demonstrate:

- Recent expenditure, to the equivalent of at least 2 per cent of the payroll to an industry training fund operating in the same industry as the business; or
- Recent expenditure to the equivalent of at least 1 per cent of the payroll in providing training to employees of the business who are Australian citizens and Australian permanent residents

4.5 Prior to being approved as a Standard Business Sponsor, businesses that have traded for 12 months or more are required to demonstrate that they meet the benchmarks for the training of Australian citizens and permanent residents specified by the Minister for Immigration and Citizenship. Businesses that have traded for less than 12 months must have an auditable plan to meet those benchmarks. Sponsors are required to continue to meet these training requirements for the full length of time as an approved sponsor (normally three years).

4.6 The Government supports the need for business sponsors to demonstrate a commitment to training and employing Australians to meet their future workforce needs.

### **Is the position genuine?**

4.7 To successfully nominate an occupation for a Subclass 457 visa, business sponsors are required to certify that the tasks of the position correspond to the tasks of a skilled occupation eligible under the program.

### **Is the market salary rate being paid?**

4.8 Additionally, unless the position attracts a high salary rate, sponsors are required to show that they will provide no less favourable terms and conditions of employment to the nominee than they would to an equivalent Australian in the sponsor's workplace at the same location. This is known as the 'market salary rate'.



4.9 The market salary rate test currently requires a Subclass 457 visa sponsor to pay an overseas worker at least the same as an Australian worker performing equivalent work in the sponsor's workplace at the same location. The market salary rate must satisfy applicable Australian workplace law including instruments, awards and agreements.

**Does the nominated person meet the English language requirement?**

4.10 English language requirements were introduced in recognition that visa holders with limited English are more susceptible to exploitation and less capable of understanding and raising workplace concerns with appropriate authorities. Effective English language skills also assist with the transfer of skills from the visa holder to other employees.

4.11 Unless a Subclass 457 visa applicant is exempt or licensing/registration prescribes a higher standard they must demonstrate an International English Language Testing System (IELTS) test score of five in each of the four test components, which are reading, writing, listening and speaking.

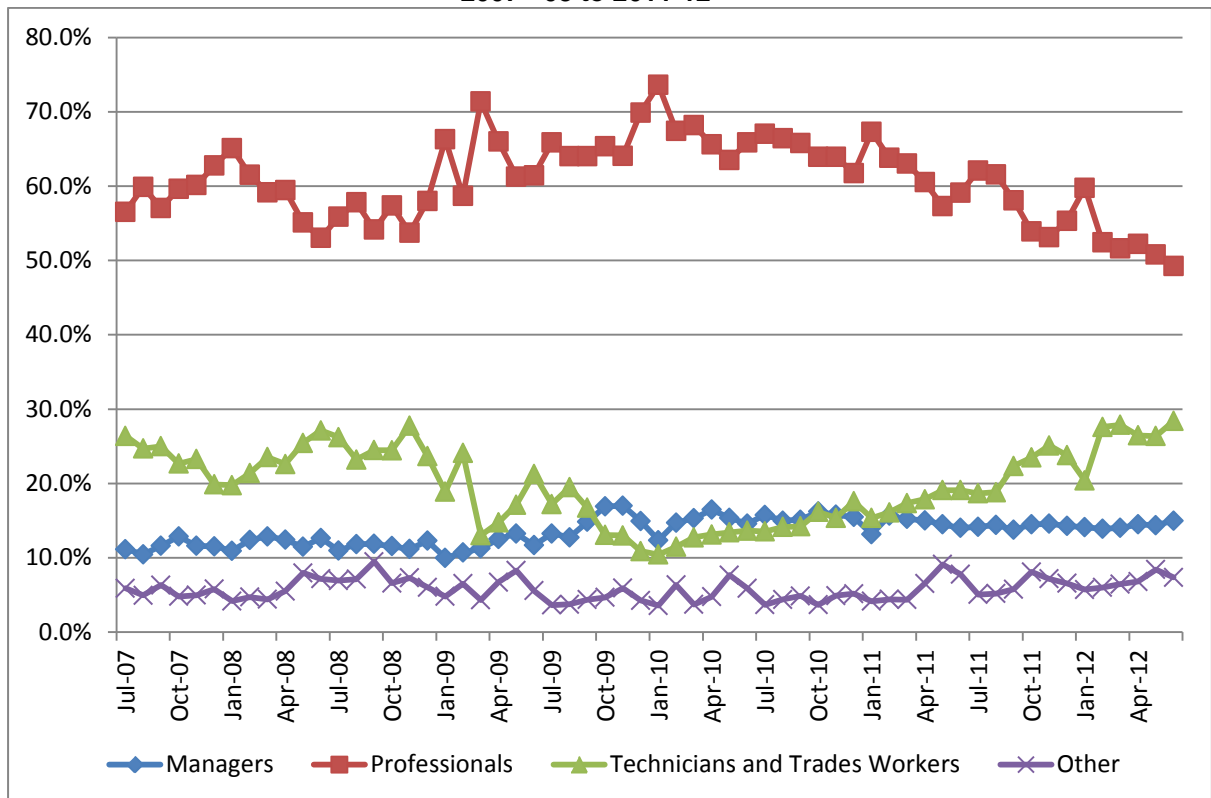
4.12 The operation of the Subclass 457 visa program is continually reviewed to ensure that the Government's objectives for the program are maintained. Where integrity issues are identified, the policy and legislative settings for the program are adjusted.

## 5. The effectiveness of the Subclass 457 visa program in filling identified skill shortages, and the extent to which they may result in a decline in Australia's national training effort, with particular reference to apprenticeship commencements

5.1 The Subclass 457 visa program has been effective in targeting highly skilled overseas workers. However, the program has recently experienced an adjustment with professionals' share of the program declining in relative terms, while technicians and trades workers are returning to pre-global financial crisis levels.

**Table A** shows the share of Subclass 457 primary visas granted to each occupational group during the previous five years.

**Table A – Percentage of 457 Primary Visas Granted by ANZSCO Major Group – 2007 - 08 to 2011-12**



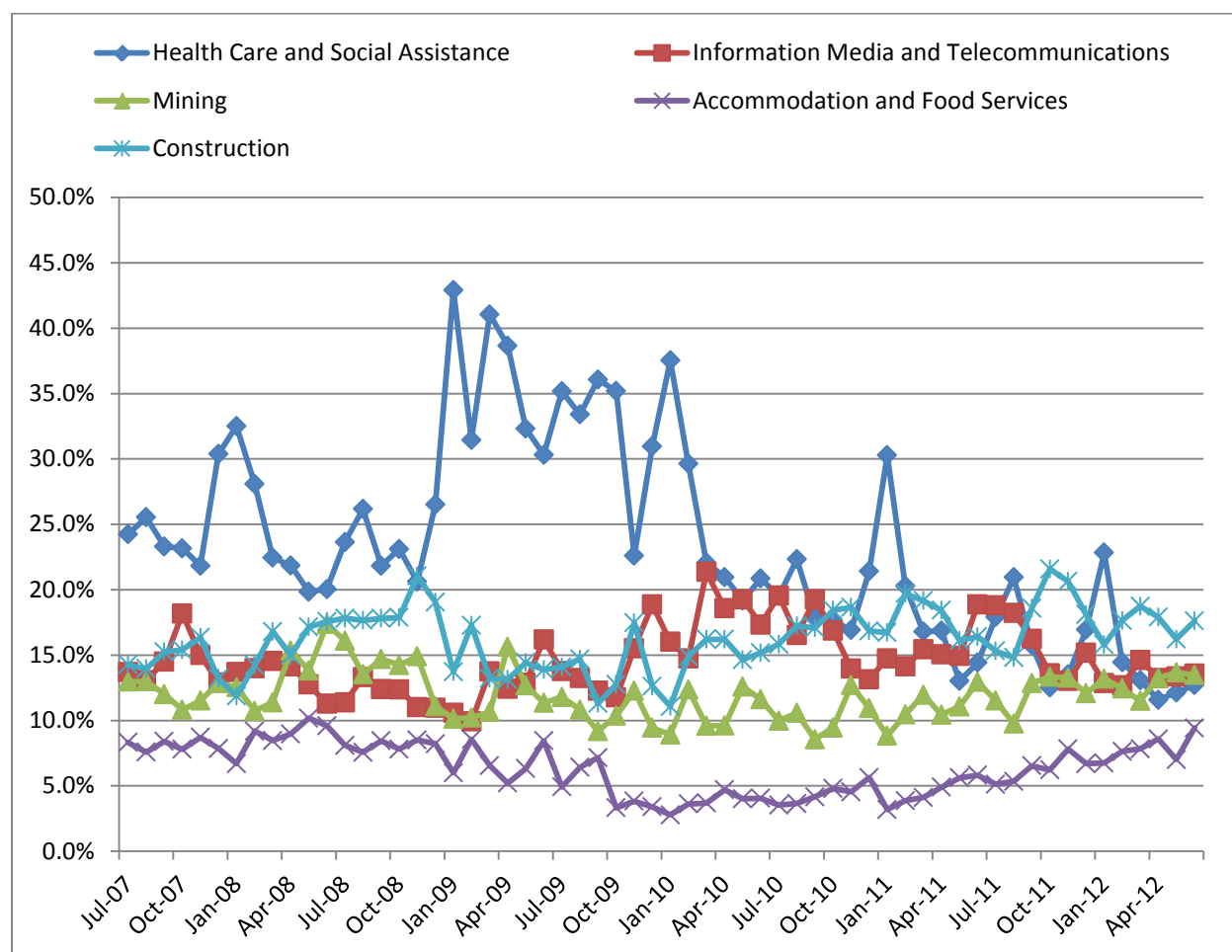
Source: DIAC<sup>2</sup>

5.2 Similar trends are evident in sponsor industries, with shares by health care and social assistance and information media and telecommunications declining. Both of these industries have traditionally been significant recipients of professionals on Subclass 457 visas. By comparison, accommodation and food services industry employers' rate of sponsorship chefs and cooks has increased recently after a period of relative slow growth.

<sup>2</sup> Department of Immigration and Citizenship

**Table B** shows the share of primary Subclass 457 visas granted to selected sponsor industries during the previous five years.

**Table B – Percentage of Primary Subclass 457 Visas Granted by Sponsor Industry 2007-08 to 2011-12**



Source: DIAC<sup>3</sup>

<sup>3</sup> Department of Immigration and Citizenship

**Table C** lists the top 20 nominated occupations for primary Subclass 457 visas granted during the previous five years.

**Table C – Top 20 nominated occupations for 457 primary visas granted – 2007-08 to 2011-12<sup>4</sup>**

Occupation	457 Primary Visas Granted
Software and Applications Programmers not elsewhere classified	13226
Registered Nurse (Medical)	11263
Development Programmer	7881
General Medical Practitioner	7434
Information and Organisation Professionals not elsewhere classified	6577
Program or Project Administrator	6230
Specialist Managers not elsewhere classified	6224
Resident Medical Officer	6106
Management Consultant	5490
Marketing Specialist	5287
Civil Engineer	4776
Accountant (General)	4475
Software Engineer	4252
Chef	4210
Recruitment Consultant	3864
University Lecturer	3844
Cook	3799
Sales and Marketing Manager	3600
Corporate General Manager	3582
Welder (First Class)	3246

5.3 As shown, all but four of the occupations (program or project administrator, chef, cook and welder (first class)) were managerial or professional occupations. This provides further evidence of the program's focus on highly skilled and highly paid overseas workers.

5.4 The program aims to support and complement existing domestic education, training and skills development by allowing businesses to sponsor overseas labour over the short term to address confirmed labour needs, while they invest in training and skills development of Australian citizens or permanent residents to meet longer-term needs.

5.5 Data which demonstrates that the Subclass 457 visa program supplements the workforce of most industries is at [Attachment A](#) and provides data on the stock of primary Subclass 457 visa holders as a percentage of the workforce for each ANZSCO Major Group in each State and Territory. [Attachment B](#) provides data on the stock of primary subclass 457 visa holders as a percentage of the industry workforce.

<sup>4</sup> Department of Immigration and Citizenship

5.6 Under *Tourism 2020*, the Government is exploring migration avenues as part of a complementary approach to address labour and skills shortages faced by the tourism and hospitality industry where they cannot be filled by the local workforce. Subclass 457 visas represent a very small proportion of tourism and hospitality industry employment (Primary Subclass 457 visa holders account for 1 per cent of total employment in food and accommodation services nationally – see Attachment B). The Subclass 457 visa provides the industry with specialised skills to facilitate improved cross cultural learning, workplace innovation and capacity building for workers and the industry as a whole to fill skill gaps.

### **Impact on Apprenticeships**

5.7 In reference to the issue of apprenticeship commencements, the Committee may wish to consider the report of the Apprenticeships for the 21st Century Expert Panel. In the report<sup>5</sup>, released by the Government in early 2011, the Expert Panel, while noting that the Australian Apprenticeships system plays an important role in training and providing skilled workers to meet the needs of the Australian labour market, recognised that where the system cannot supply the required number of skilled trade workers there may be a case for permanent and/or temporary migration to supplement the supply of skilled workers.

5.8 The Panel also noted that there was an argument that historically some employers may have relied on skilled migration to meet the demand for skilled workers instead of investing in the training of Australians, including through participation in the Australian Apprenticeships system. However, the Expert Panel stated that it appreciated the important role that skilled migration plays in helping to meet the skill needs of the labour market and supported a skilled migration program that is targeted, meets the specific needs of the economy and is flexible and responsive to the needs of employers and industry.

5.9 National Centre for Vocational Education Research (NCVER) data on apprenticeships commencement shows a slight but steady increasing trend in apprenticeship commencements over the last five years. As there does not appear to be any recent research into the relationship, if any, between Subclass 457 visa grants to technicians and trades workers and domestic apprenticeships, it is difficult to determine any relationship between Subclass 457 visa grants and apprenticeships commencements.

### **Case Study: Use of Subclass 457 visas and training in the Resources Sector**

5.10 Subclass 457 visa holders consistently comprised between 2.5 per cent to 3.5 per cent of the resources sector's operations workforce over the five years to 2013 (refer Table D below). The consistently low and stable contribution of 457 visa holders, during a period in which the resources sector workforce grew rapidly, indicates:

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<sup>5</sup><http://www.australianapprenticeships.gov.au/faq/documents/apprenticeshipsforthe21stcenturyexpertpanel.pdf1>

- the employment and training of Australian workers in the resources sector has kept pace with the rapidly growing workforce at an industry-wide level; and
- more than 96 per cent of the sectors workforce are not 457 visa holders and this has been consistent over the last five years.

**Table D – Use of 457 visas in the mining sector<sup>6</sup>**

	<b>February 2013 (latest)</b>	<b>May/June 2012</b>	<b>May/June 2011</b>	<b>May/June 2010</b>	<b>May/June 2009</b>	<b>May/June 2008</b>
Employees in mining industry – as at <b>May (ABS, Trend data)</b>	263,500	267,200	215,300	184,000	161,700	161,400
Subclass 457 visas mining-sponsored, as at <b>June (DIAC)</b>	8,670	7,860	5,230	5,020	5,720	5,460
Per cent contribution from 457 visa holders	<b>3.29%</b>	<b>2.94%</b>	<b>2.43%</b>	<b>2.73%</b>	<b>3.54%</b>	<b>3.38%</b>

**Note:** Annual figures for employees and numbers of subclass 457 visa holders are for May and June of each year, respectively (except for the latest February 2013 figures, which do align).

5.11 It is important to ensure that the use of temporary migration is does not impact on a commitment to training by major companies. Data from the NCVER 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.<sup>7</sup> The mining industry spent \$1.147 billion on training in 2011-12, representing 5.5 per cent of total payroll on training expenditure.<sup>8</sup>

5.12 The growth trend for the number of apprentices and trainees in training for the minerals sector (including but not limited to training in CSOL occupations) almost quadrupled over the eight years from 2003 to 2011 (i.e. growing by approximately 291.2 per cent over 8 years).

5.13 There is no data on the impact of EMAs and RMAs on apprenticeship commencements, as none have been approved to date. Once an EMA or RMA is approved and activated, the Government will monitor proponents' progress with meeting training obligations.

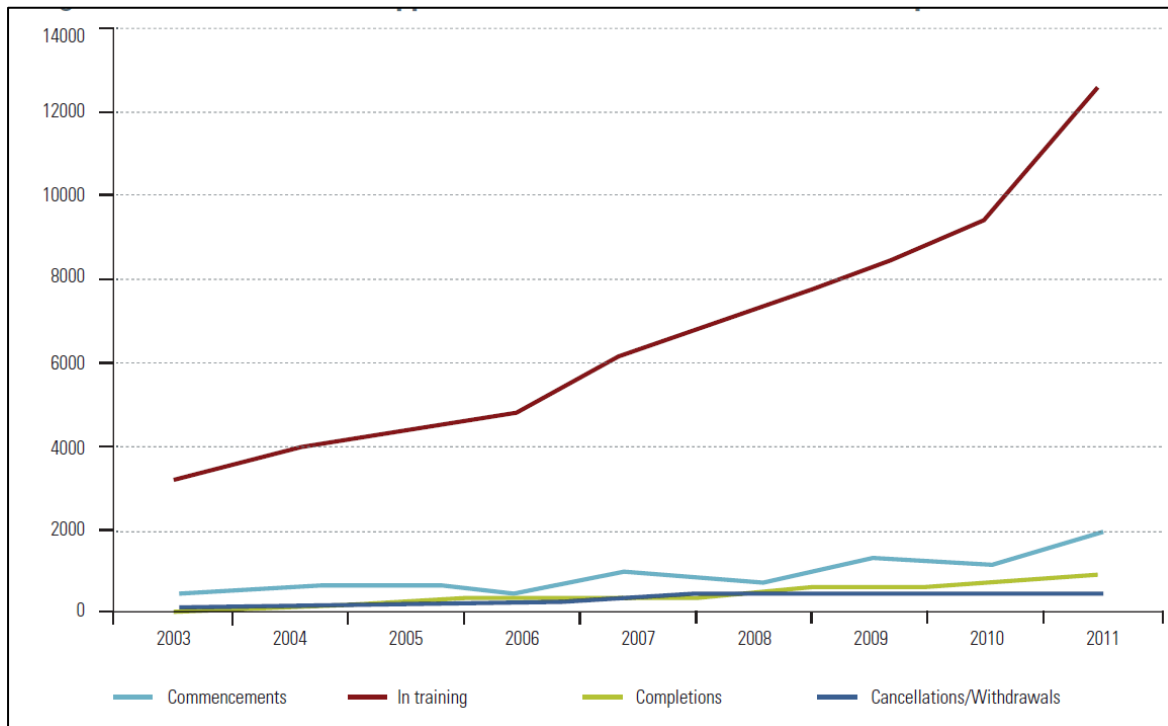
<sup>6</sup> DIAC 457 visa statistics <http://www.immi.gov.au/media/statistics/statistical-info/temp-entrants/subclass-457.htm>

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

<sup>7</sup> [http://www.minerals.org.au/news/new\\_report\\_debunks\\_myths\\_about\\_mining\\_education\\_and\\_training](http://www.minerals.org.au/news/new_report_debunks_myths_about_mining_education_and_training)

<sup>8</sup> [http://www.minerals.org.au/news/new\\_report\\_debunks\\_myths\\_about\\_mining\\_education\\_and\\_training](http://www.minerals.org.au/news/new_report_debunks_myths_about_mining_education_and_training)

**Table E - Minerals sector apprentices and trainees as at December quarter, 2003-2011<sup>9</sup>**



**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.

<sup>9</sup> AWP October 2012. *Resources Sector Skill Needs Report 2012* (Table 4.1, page 27)

## **6. The issue of labour market testing in the standard Subclass 457 visa program and Australia's international trade commitments**

6.1 The Australian Government has made commitments, under the World Trade Organisation (WTO) General Agreement on Trade in Services and a number of Free Trade Agreements, on the issue of temporary entry of skilled foreign workers (as opposed to the visa system more broadly). Any changes to the general visa system would need to enable Australia to continue to implement these obligations.

### **Prospective nature of EMAs**

6.2 EMAs are designed to operate prospectively, being anticipatory in nature to provide resource projects with the certainty that the Australian Government will agree to the use of overseas workers in the event that a shortage of suitably skilled Australian workers exists in the future. It is recognised that this prospective model can be critical to supporting business and investor confidence, and securing access to project finance for resource projects.

6.3 Australia's resources sector investment pipeline represents an unprecedented opportunity for our national economy. Labour constraints present a substantial risk to major projects, either through delay or potential cost overruns, which may affect investment decisions. EMAs help to mitigate such risks to major projects.

6.4 Recognising the importance of workforce planning to the Australian economy, the Australian Workforce and Productivity Agency (AWPA) was established in 2012 to provide independent advice to the Australian Government on Australia's current, emerging and future skills and workforce development needs and areas that affect the demand, supply and use of skills.

6.5 The approach adopted by AWPA of concentrating attention on specialised occupations and looking over the medium-term is congruent with the use of Subclass 457 visas, EMAs and RMAs as meeting short-term needs, rather than long-term needs.

6.6 DEEWR has also developed the Resource Sector Jobs Board to ensure that Australian job seekers – including those retrenched from other resource projects, mining sites and the manufacturing sector – have the opportunity to apply for resource sector jobs. The success of the Jobs Board is reflected in data which shows for March 2013 there were over 7 300 advertisements and over 19 300 viewings of the website.



## **7. Monitoring and enforcement of Subclass 457 sponsors' obligations by the Department of Immigration and Citizenship; arrangements for the on-hire industry; proposed monitoring arrangements for EMAs and RMAs**

7.1 DIAC monitors sponsors to ensure they continue to meet sponsorship requirements. Sponsors of overseas workers under the Subclass 457 visa program are required to adhere to a number of sponsorship obligations. This includes obligations to provide overseas workers with the same terms and conditions of employment as Australians performing equivalent work in the business, and to pay the visa holder's return travel costs, should they no longer be required to work in Australia.

7.2 These obligations help ensure that overseas skilled workers are protected from exploitation. Sponsorship obligations also help ensure that the program is being used to meet genuine skills needs, and is not being used to undercut local labour wages and conditions. If a sponsor fails to satisfy a sponsorship obligation they may be subject to sanction action, infringement notices or civil court action.

7.3 There are 32 inspectors across Australia who have the power to:

- enter a premises or place without force
- require a person to produce a record or documents
- inspect and make copies of any number of documents
- interview people while at a premises or place.

7.4 In 2011–12, there was a significant increase in the number of infringement notices served. In addition, on 2 July 2012, DIAC successfully litigated against one standard business sponsor, with the court ordering a pecuniary penalty of \$35 000 plus costs. It sent a strong signal to sponsors that they must fulfil their sponsorship obligations.

Table F shows monitoring performance by DIAC over the past three program years.

**Table F – Subclass 457 monitoring performance 2009 – 2012<sup>10</sup>**

Measure	2009–10	2010–11	2011–12
Active sponsors (sponsors with a primary visa holder in Australia at the end of the financial year)	18 270	18 520	22 450
Sponsors monitored	2 546	2 091	1 754
Sponsors' sites visited	1 245	814	856
Sponsors formally sanctioned	164	140	125
Sponsors formally warned	510	453	449
Referrals to other agencies	65	61	18
Sponsors issued with an infringement notice	n/a	9	49
Sponsors subject to pecuniary penalty by the Federal Magistrates Court	0	0	1

7.5 Since the introduction of the Migration Legislation Amendment (Worker Protection) Act 2008 in September 2009, the focus of monitoring activities has shifted from high volumes of educational site visits that were designed to raise awareness of the new sponsorship obligations to more labour intensive and time consuming investigations of significant failures of the sponsorship obligations.

7.6 While less monitoring events have commenced, the focus has been on targeting sponsors with a greater risk of exploiting visa holders or abusing the sponsorship program. This is demonstrated by the increase in the number of sanctions and infringement notices issued as a percentage of the audits that have been finalised (program year to 31 December 2012 when compared to the same period in 2011)

7.7 Investigating cases of exploitation and abuse, with an expectation that the matter may come before a civil court, is time consuming. It requires the meticulous gathering and assessing of evidence, including affidavits and documentary evidence, to present a sound case and optimise the chances of a successful prosecution.

7.8 The Government is currently seeking to strengthen the integrity of the Subclass 457 visa program by tightening some of the existing sponsorship obligations so that the monitoring network is better able to investigate and enforce compliance.

7.9 The Government is also proposing (subject to legislation) to expand the monitoring powers to Fair Work inspectors to ensure that Subclass 457 visa holders are being paid at the market rates specified in their approved visa, and that the job being done by the Subclass 457 visa holder matches the job title and description approved in their visa.

<sup>10</sup> Department of Immigration and Citizenship Annual Report 2011-12  
([http://www.immi.gov.au/about/reports/annual/201112/html/performance/outcome\\_1/temporary\\_residents\\_economic.htm](http://www.immi.gov.au/about/reports/annual/201112/html/performance/outcome_1/temporary_residents_economic.htm))

**Arrangements for the on-hire industry**

7.10 Overseas workers sponsored under the standard Subclass 457 visa program cannot be on-hired to unrelated companies - they may only work for the sponsoring employer so that the sponsor maintains direct oversight of the overseas worker's day-to-day employment and responsibility for their welfare.

7.11 In recognition that many Australian companies do not directly recruit or employ all their own staff but instead use the services of labour hire and contract management firms, and that both the use and provision of such services is a legitimate business practice, the Government introduced the On-hire Template Labour Agreement in 2007 to meet these needs. The template allows for agreements to be entered into without negotiation on the conditions of the labour agreement. There are no concessions under the template and all nominations must meet the same minimum requirements of the standard Subclass 457 visa program. Only occupations on the CSOL may be sponsored.

**Proposed monitoring regime for EMAs and RMAs**

7.12 DIAC has established a sponsor monitoring team with specific training in monitoring EMAs and RMAs, in addition to the standard 457 visa program. DIAC will monitor all EMAs within six months of visa holders arriving to work on the project to ensure that they meet their obligations, including agreed training commitments for Australian workers over the life of these agreements. This monitoring will include verification on the use of the Jobs Board by DEEWR.

## **8. The capacity of the system to enforce workplace rights, including Occupational Health and Safety (OH&S) laws and workers' compensation rights**

8.1 Australian workers' rights and conditions are covered under workplace relations law. The Office of the Fair Work Ombudsman (FWO), Fair Work Building and Construction (FWBC) and other State and Territory Departments have a role in ensuring compliance with workplace relations and workplace safety for companies and sites covered by the Subclass 457 visa program, labour agreements, EMAs and RMAs.

8.2 The Fair Work Ombudsman (FWO) is the independent agency responsible for monitoring compliance with national workplace relations laws and that workers covered by the *Fair Work Act 2009* receive their correct wages and entitlements. Occupational health and safety issues are matters for state based WorkCover authorities.

8.3 In 2011-12, FWO finalised 990 complaints from, and recovered \$718 181 for, subclass 457 and other temporary visa holders.

8.4 In circumstances where a sponsor of a Subclass 457 visa holder is found by a court or competent authority to have contravened a Commonwealth, State or Territory law, then DIAC may also consider barring or cancelling the sponsor from the program.

8.5 DIAC works cooperatively with these authorities, and has a Memorandum of Understanding (MOU) in place with Workcover NSW. DIAC is in negotiation with Workcover to develop an Australia-wide MOU to formally enable the exchange of information on workplace safety related matters and a draft is well progressed.

8.6 The Work Health and Safety Act 2011 (Cth) came into effect on 1 January 2012 and it was expected that all states and territories would enact the harmonised laws. This has not been the case. To date, the Australian Government and the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Tasmanian governments have committed to the agreement. DIAC is seeking an umbrella agreement and will append individual state/territory agreements as they come on board.

## **9. Whether better long-term forecasting of workforce needs and associated skills training required would reduce the extent of the current reliance on Subclass 457 visas.**

9.1 The Australian Government recognises the importance of workforce planning to the Australian economy. Companies seeking skilled labour and their representative bodies are encouraged to actively engage with the national training system and local training providers to ensure that the system and delivery strategies are meeting their workforce development needs. Participation in future workforce forecasting can allow training settings to be adjusted to reflect upcoming skills needs.

## **10. Economic benefits of such agreements and the economic and social impact of such agreements**

10.1 The Subclass 457 visa program is an important mechanism to address skills needs in the labour market which cannot be met domestically.

10.2 The Subclass 457 visa program and EMAs are particularly important for the resources and construction sectors<sup>11</sup>. Temporary skilled migration ensures that major resources projects are not constrained or jeopardised by a shortage of appropriately skilled workers that are needed to deliver a project on time and on budget. For the resources sector, temporary skilled migration is an important mechanism to demonstrate labour security and the capacity to deliver major projects on time, which can be a critical factor to support business and investor confidence, and access to project finance.

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<sup>11</sup> Susan Bahn, Ghialy Yap and Llandis Barratt-Pugh, *457 visa workers in the Western Australian resources industry: The benefits and costs for business, migrant families, and the community*, November 2012.

## **11. The impact of recently-announced changes**

11.1 On 23 February 2013, the Minister for Immigration and Citizenship announced a number of reforms to the Subclass 457 visa program. These reforms are aimed at strengthening DIAC's capacity to identify and prevent employer practices that are not in keeping with the spirit and intent of the Subclass 457 visa program.

11.2 The measures being brought forward include:

- introducing a requirement for the nominated position to be a genuine vacancy within the business. This will provide discretion to consider further information if there are concerns the position may have been created specifically to secure a Subclass 457 visa without consideration of whether there is an appropriately skilled Australian available;
- introducing a provision to allow DIAC to take action against sponsors who engage in discriminatory recruitment practices;
- strengthening the market salary rate requirements to provide discretion to consider comparative salary data for the local labour market when deciding whether a nominated position provides equitable remuneration arrangements. Additionally, the market salary exemption threshold will be increased from \$180 000 to \$250 000 to ensure that higher paid salary workers are not able to undercut local wages through the employment of overseas labour at a cheaper rate;
- strengthening the English language requirements by removing exemptions for applicants from non-English speaking backgrounds who are nominated with a salary less than \$92 000 and requiring applicants who were exempt from the English language requirement when granted a visa to continue to be exempt from, or to meet the English language requirement when changing employers. Additionally, the definition of the English language requirement will be better aligned with the permanent Employer Sponsored programs;
- strengthening the requirement for sponsors to train Australians by introducing an ongoing and binding requirement to meet training requirements for the duration of their approved sponsorship; and
- clarifying that Subclass 457 workers may not be engaged in unintended employment relationships by requiring workers to be engaged under a written contract of employment and not on-hired to an unrelated entity unless they are sponsored under an approved labour agreement or in an occupation specified as exempt in the relevant instrument.

11.3 The changes will not adversely affect the vast majority of employers who are using the program appropriately to fill genuine skill requirements. The changes will strengthen the Government's capacity to identify and prevent employer practices that are not in keeping with the purpose of the Subclass 457 visa program. This reform package together with the proposed expansion of the monitoring powers to Fair

Work inspectors will send a strong message to employers that they must fulfil their sponsorship obligations or run the risk of being sanctioned.



## **12. Any Related Matters**

12.1 No other matters.

## SUBCLASS 457 VISA HOLDERS AS A PERCENTAGE OF ANZSCO MAJOR GROUP WORKFORCE

### 1. NATIONALLY – FEBRUARY 2013

ANZSCO Classification	Total Employment <sup>12</sup>	Stock of Primary Subclass 457 Visa Holders <sup>13</sup>	Primary Subclass 457 as a percentage of Total Employment
Managers	1,465,100	17,580	1.2
Professionals	2,548,800	54,900	2.2
Technicians and Trade Workers	1,689,300	27,430	1.6
Community and Personal Service Workers	1,115,800	1,180	0.1
Clerical and Administrative Workers	1,691,100	4,410	0.3
Sales Workers	1,072,800	190	<0.1
Machinery Operators and Drivers	765,600	520	<0.1
Labourers	1,692,200	220	<0.1

### 2. NEW SOUTH WALES – FEBRUARY 2013

ANZSCO Classification	Total Employment <sup>14</sup>	Stock of Primary Subclass 457 Visa Holders <sup>15</sup>	Primary Subclass 457 as a percentage of Total Employment
Managers	464,300	6,980	1.5
Professionals	832,100	21,610	2.6
Technicians and Trade Workers	509,400	6,270	1.2
Community and Personal Service Workers	358,200	410	0.1
Clerical and Administrative Workers	545,500	2,150	0.4
Sales Workers	332,900	80	<0.1
Machinery Operators and Drivers	226,200	30	<0.1
Labourers	345,100	60	<0.1

<sup>12</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>13</sup> DIAC Subclass 457 State/Territory Summary Report 2012-13 to February 2013 (Tables 1.23) - Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

<sup>14</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>15</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

### 3. VICTORIA – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>16</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>17</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	391,200	3,480	0.9
Professionals	670,000	12,410	1.9
Technicians and Trade Workers	400,100	5,300	1.3
Community and Personal Service Workers	257,700	270	0.1
Clerical and Administrative Workers	415,000	610	0.1
Sales Workers	279,900	30	<0.1
Machinery Operators and Drivers	177,200	50	<0.1
Labourers	289,800	0	0

### 4. QUEENSLAND – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>18</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>19</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	277,700	2,920	1.1
Professionals	471,000	7,990	1.7
Technicians and Trade Workers	356,600	4,750	1.3
Community and Personal Service Workers	240,600	160	<0.1
Clerical and Administrative Workers	344,700	630	0.2
Sales Workers	221,400	30	<0.1
Machinery Operators and Drivers	174,300	190	0.1
Labourers	253,200	60	<0.1

<sup>16</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>17</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

<sup>18</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>19</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

## 5. WESTERN AUSTRALIA – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>20</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>21</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	153,000	3,410	2.2
Professionals	266,900	9,330	3.5
Technicians and Trade Workers	229,100	9,540	4.2
Community and Personal Service Workers	119,600	240	0.2
Clerical and Administrative Workers	179,900	910	0.5
Sales Workers	110,900	40	<0.1
Machinery Operators and Drivers	107,600	230	0.2
Labourers	136,900	60	<0.1

## 6. SOUTH AUSTRALIA – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>22</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>23</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	105,200	380	0.4
Professionals	164,800	1,650	1.0
Technicians and Trade Workers	116,500	700	0.6
Community and Personal Service Workers	83,000	30	<0.1
Clerical and Administrative Workers	114,000	60	<0.1
Sales Workers	82,800	<5	<0.1
Machinery Operators and Drivers	51,800	10	<0.1
Labourers	95,400	20	<0.1

<sup>20</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>21</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

<sup>22</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>23</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

## 7. TASMANIA – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>24</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>25</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	27,500	70	0.3
Professionals	49,500	350	0.7
Technicians and Trade Workers	34,700	50	0.1
Community and Personal Service Workers	24,000	<5	<0.1
Clerical and Administrative Workers	32,600	<5	<0.1
Sales Workers	21,400	0	0
Machinery Operators and Drivers	15,900	0	0
Labourers	27,200	0	0

## 8. AUSTRALIAN CAPITAL TERRITORY – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>26</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>27</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	31,000	160	0.5
Professionals	68,500	890	1.3
Technicians and Trade Workers	21,800	240	1.1
Community and Personal Service Workers	19,700	30	0.2
Clerical and Administrative Workers	39,200	30	<0.1
Sales Workers	13,600	10	<0.1
Machinery Operators and Drivers	4,900	0	0
Labourers	10,100	0	0

<sup>24</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>25</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

<sup>26</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>27</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

## 9. NORTHERN TERRITORY – FEBRUARY 2013

<b>ANZSCO Classification</b>	<b>Total Employment<sup>28</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>29</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Managers	15,200	140	0.9
Professionals	26,000	570	2.2
Technicians and Trade Workers	21,100	510	2.4
Community and Personal Service Workers	13,000	20	0.2
Clerical and Administrative Workers	20,200	30	0.1
Sales Workers	9,900	<5	<0.1
Machinery Operators and Drivers	7,700	<5	<0.1
Labourers	11,500	20	0.2

<sup>28</sup> DEEWR LMIP – Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>29</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.23 Number of primary visa holders in Australia as at 28 February 2013 by Major Group of the nominated occupation and nominated position location

## SUBCLASS 457 VISA HOLDERS AS A PERCENTAGE OF WORKFORCE BY INDUSTRY

### 1. NATIONALLY – FEBRUARY 2013

ANZSIC Classification	Total Employment <sup>30</sup>	Stock of Primary Subclass 457 Visa Holders <sup>31</sup>	Primary Subclass 457 as a percentage of Total Employment
Accommodation & Food Services	783,400	8,030	1.0
Administrative & Support Services	396,800	570	0.1
Agriculture, Forestry & Fisheries	329,200	1,960	0.6
Arts and Recreation Services	211,000	1,060	0.5
Construction	1,003,300	14,080	1.4
Education & Training	902,000	4,840	0.5
Electricity, Gas, Water & Waste Services	147,500	1,800	1.2
Financial & Insurance Services	420,400	4,530	1.1
Health Care & Social Assistance	1,372,100	12,730	0.9
Information Media & Telecommunication	226,900	9,330	4.1
Manufacturing	957,500	7,190	0.8
Mining	269,200	8,670	3.2
Other Services	452,600	12,700	2.8
Professional, Scientific & Technical	917,400	7,800	0.9
Public Administration & Safety	702,700	870	0.1
Rental, Hiring & Real Estate Services	204,400	1,220	0.6
Retail Trade	1,216,100	4,780	0.4
Transport Postal & Warehousing	577,200	1,630	0.3
Wholesale Trade	427,900	2,520	0.6

### 2. NEW SOUTH WALES – FEBRUARY 2013

ANZSIC Classification	Total Employment <sup>32</sup>	Stock of Primary Subclass 457 Visa Holders <sup>33</sup>	Primary Subclass 457 as a percentage of Total Employment
Accommodation & Food Services	270,200	2,990	1.1
Administrative & Support Services	133,100	260	0.2
Agriculture, Forestry & Fisheries	87,500	500	0.6
Arts and Recreation Services	66,300	540	0.8

<sup>30</sup> DEEWR LMIP –Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>31</sup> DIAC Subclass 457 State/Territory Summary Report 2012-13 to February 2013 (Tables 1.22) – Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.22 Number of primary visa holders in Australia as at 28 February 2013 by sponsor industry and nominated position location

<sup>32</sup> DEEWR LMIP –Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>33</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.22 Number of primary visa holders in Australia as at 28 February 2013 by sponsor industry and nominated position location

Construction	289,400	3,250	1.1
Education & Training	269,400	1,590	0.6
Electricity, Gas, Water & Waste Services	35,700	370	1.0
Financial & Insurance Services	176,100	2,880	1.6
Health Care & Social Assistance	430,100	4,410	1.0
Information Media & Telecommunication	94,900	5,800	6.1
Manufacturing	298,300	1,810	0.6
Mining	46,800	480	1.0
Other Services	139,900	5,340	3.8
Professional, Scientific & Technical	313,600	2,850	0.9
Public Administration & Safety	196,500	180	0.1
Rental, Hiring & Real Estate Services	62,300	590	0.9
Retail Trade	372,300	1,800	0.5
Transport Postal & Warehousing	188,900	490	0.3
Wholesale Trade	142,300	1,160	0.8

### 3. VICTORIA – FEBRUARY 2013

ANZSIC Classification	Total Employment <sup>34</sup>	Stock of Primary Subclass 457 Visa Holders <sup>35</sup>	Primary Subclass 457 as a percentage of Total Employment
Accommodation & Food Services	187,700	2,150	1.1
Administrative & Support Services	93,900	80	<0.1
Agriculture, Forestry & Fisheries	80,900	250	0.3
Arts and Recreation Services	59,500	170	0.3
Construction	241,200	1,640	0.7
Education & Training	233,700	1,340	0.6
Electricity, Gas, Water & Waste Services	36,000	270	0.8
Financial & Insurance Services	62,900	910	1.4
Health Care & Social Assistance	335,800	2,830	0.8
Information Media & Telecommunication	62,900	2,300	3.7
Manufacturing	299,000	1,530	0.5
Mining	12,700	320	2.5
Other Services	110,000	2,810	2.6
Professional, Scientific & Technical	251,700	2,650	1.1
Public Administration & Safety	133,300	200	0.2
Rental, Hiring & Real Estate Services	44,700	320	0.7
Retail Trade	319,400	1,180	0.4
Transport Postal & Warehousing	135,000	380	0.3
Wholesale Trade	128,800	670	0.5

<sup>34</sup> DEEWR LMIP –Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>35</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.22 Number of primary visa holders in Australia as at 28 February 2013 by sponsor industry and nominated position location



#### 4. QUEENSLAND – FEBRUARY 2013

<b>ANZSIC Classification</b>	<b>Total Employment<sup>36</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>37</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Accommodation & Food Services	164,300	1,490	0.9
Administrative & Support Services	78,400	40	<0.1
Agriculture, Forestry & Fisheries	70,300	810	1.2
Arts and Recreation Services	37,000	110	0.3
Construction	234,400	3,040	1.3
Education & Training	181,400	800	0.4
Electricity, Gas, Water & Waste Services	33,800	420	1.2
Financial & Insurance Services	65,400	290	0.4
Health Care & Social Assistance	286,600	2,270	0.8
Information Media & Telecommunication	30,500	500	1.6
Manufacturing	168,200	1,170	0.7
Mining	73,800	2,290	3.1
Other Services	96,500	1,510	1.6
Professional, Scientific & Technical	158,500	910	0.6
Public Administration & Safety	150,300	70	<0.1
Rental, Hiring & Real Estate Services	50,600	140	0.3
Retail Trade	248,800	740	0.3
Transport Postal & Warehousing	135,300	290	0.2
Wholesale Trade	75,500	310	0.4

#### 5. WESTERN AUSTRALIA – FEBRUARY 2013

<b>ANZSIC Classification</b>	<b>Total Employment<sup>38</sup></b>	<b>Stock of Primary Subclass 457 Visa Holders<sup>39</sup></b>	<b>Primary Subclass 457 as a percentage of Total Employment</b>
Accommodation & Food Services	71,300	1,090	1.5
Administrative & Support Services	48,800	170	0.3
Agriculture, Forestry & Fisheries	39,800	250	0.6
Arts and Recreation Services	21,800	80	0.4
Construction	127,000	5,390	4.2
Education & Training	97,000	500	0.5
Electricity, Gas, Water & Waste Services	21,400	630	2.9
Financial & Insurance Services	31,600	370	1.2

<sup>36</sup> DEEWR LMIP –Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>37</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.22 Number of primary visa holders in Australia as at 28 February 2013 by sponsor industry and nominated position location

<sup>38</sup> DEEWR LMIP –Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>39</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.22 Number of primary visa holders in Australia as at 28 February 2013 by sponsor industry and nominated position location

Health Care & Social Assistance	138,900	1,890	1.4
Information Media & Telecommunication	15,000	550	3.7
Manufacturing	95,200	2,280	2.4
Mining	113,000	5,090	4.5
Other Services	53,300	2,460	4.6
Professional, Scientific & Technical	100,000	1,150	1.2
Public Administration & Safety	70,700	120	0.2
Rental, Hiring & Real Estate Services	24,100	120	0.5
Retail Trade	133,300	830	0.6
Transport Postal & Warehousing	60,900	400	0.7
Wholesale Trade	40,600	270	0.7

## 6. SOUTH AUSTRALIA – FEBRUARY 2013

ANZSIC Classification	Total Employment <sup>40</sup>	Stock of Primary Subclass 457 Visa Holders <sup>41</sup>	Primary Subclass 457 as a percentage of Total Employment
Accommodation & Food Services	53,300	110	0.2
Administrative & Support Services	27,100	10	<0.1
Agriculture, Forestry & Fisheries	35,500	70	0.2
Arts and Recreation Services	13,200	40	0.3
Construction	66,500	340	0.5
Education & Training	67,600	250	0.4
Electricity, Gas, Water & Waste Services	11,200	80	0.7
Financial & Insurance Services	21,400	50	0.2
Health Care & Social Assistance	111,500	780	0.7
Information Media & Telecommunication	13,900	50	0.4
Manufacturing	72,500	280	0.4
Mining	13,600	260	1.9
Other Services	32,700	250	0.8
Professional, Scientific & Technical	52,100	100	0.2
Public Administration & Safety	53,500	50	<0.1
Rental, Hiring & Real Estate Services	13,400	20	0.1
Retail Trade	91,400	90	<0.1
Transport Postal & Warehousing	34,200	30	<0.1
Wholesale Trade	28,800	90	0.3

<sup>40</sup> DEEWR LMIP –Australian Bureau of Statistics Labour Force Survey data – February 2013 – Supertables – Cube RM1

<sup>41</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2012-13 to 28 February 2013*, Table 1.22 Number of primary visa holders in Australia as at 28 February 2013 by sponsor industry and nominated position location

# 1. 2011-12 NATIONAL TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST<sup>42</sup>

Top 15 Subclass 457 occupations	Percentage of Primary Subclass 457 Visa Grant <sup>43</sup>	DEEWR Skill Shortage List
Program or Project Administrator	3.2	
Developer Programmer	3.0	
Specialist Managers nec	2.4	
Management Consultant	2.4	
University Lecturer	2.3	
Cook	2.3	YES
Marketing Specialist	2.1	
General Medical Practitioner	2.1	
Resident Medical Officer	1.8	
ICT Business Analyst	1.8	
Civil Engineer	1.7	YES
Software Analyst and Programmer	1.6	
Accountant (General)	1.6	
Mechanical Engineering Technician	1.6	
Sales and Marketing Manager	1.4	

# 2. 2011-12 NEW SOUTH WALES TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST

Top 15 Subclass 457 occupations	Percentage of Primary Subclass 457 Visa Grant <sup>44</sup>	DEEWR Skill Shortage List (Y/N)
Developer Programmer	4.8	
Program or Project Administrator	4.6	
Marketing Specialist	4.2	
Management Consultant	2.9	
ICT Business Analyst	2.5	
Software and Applications Programmer nec	2.5	
Specialist Managers nec	2.4	
Accountant (General)	2.3	
Cook	2.3	YES (National Skill Shortage)
Recruitment Consultant	2.3	
Software Engineer	2.3	
Sales and Marketing Manager	2.2	
University Lecturer	2.1	
Systems Analyst	1.6	
Analyst Programmer	1.5	

<sup>42</sup> DEEWR National, State and Territory Skill Shortage Lists (2012) at <http://foi.deewr.gov.au/node/31447>

<sup>43</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 1.18 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012

<sup>44</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 3.03 Top 15 nominated occupations for primary applicants granted in 2011-12 to 30 June 2012 – nominated positions located in New South Wales

### 3. 2011-12 VICTORIAN TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST

Top 15 Subclass 457 occupations	Percentage of Primary Subclass 457 Visa Grant <sup>45</sup>	DEEWR Skill Shortage List (Y/N)
Developer Programmer	5.2	
Management Consultant	3.7	
Cook	3.6	YES (National Skill Shortage)
University Lecturer	3.4	
Software & Analyst Programmer nec	3.2	
Analyst Programmer	3.1	
ICT Business Analyst	2.7	
Specialist Manager nec	2.4	
General Medical Practitioner	2.4	
Systems Analyst	2.1	
Resident Medical Officer	2.1	
Program or Project Administrator	2.0	
Software Engineer	2.0	
Marketing Specialist	1.9	
Accountant (General)	1.7	

### 4. 2011-12 QUEENSLAND TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST

Top 15 Subclass 457 occupations	Percentage of Primary Subclass 457 Visa Grant <sup>46</sup>	DEEWR Skill Shortage List (Y/N)
Specialist ManagerS nec	3.2	
Program or Project Administrator	2.8	
Cook	2.8	YES (National Skill Shortage)
General Medical Practitioner	2.7	
Geologist	2.6	YES (National Skill Shortage)
Civil Engineer	2.5	YES
University Lecturer	2.4	
Resident Medical Officer	1.9	
Mechanical Engineering Technician	1.8	
Construction Project Manager	1.7	YES (National Recruitment Difficulty)
Medical Practitioners nec	1.7	
Management Consultant	1.6	
Chef	1.6	YES (National Skill Shortage)
Skilled Meat Worker	1.6	
Diesel Motor Mechanic	1.6	YES (Recruitment Difficulty)

<sup>45</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 8.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012 – nominated positions located in Victoria

<sup>46</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 5.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012 – nominated positions located in Queensland

**5. 2011-12 WESTERN AUSTRALIA TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST**

<b>Top 15 Subclass 457 occupations</b>	<b>Percentage of Primary Subclass 457 Visa Grant<sup>47</sup></b>	<b>DEEWR Skill Shortage List (Y/N)</b>
Mechanical Engineering Technician	3.5	
Civil Engineer	3.5	YES
Geologist	3.0	YES (Nation List)
Welder (First Class) (Aus)/Welder (NZ)	3.0	YES (recruitment difficulty)
Program or Project Administrator	2.7	
Fitter (General)	2.6	YES (recruitment difficulty)
Metal Fabricator	2.4	YES (recruitment difficulty)
Specialist Managers nec	2.3	
Diesel Motor Mechanic	2.0	YES
Construction Project Engineer	2.0	
Mechanical Engineer	2.0	YES
Carpenter	1.8	
Electrician (General)	1.7	
Resident Medical Officer	1.7	
Engineering Manager	1.6	YES

**6. 2011-12 SOUTH AUSTRALIA TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST**

<b>Top 15 Subclass 457 occupations</b>	<b>Percentage of Primary Subclass 457 Visa Grant<sup>48</sup></b>	<b>DEEWR Skill Shortage List (Y/N)</b>
General Medical Practitioner	10.1	
University Lecturer	7.0	
Resident Medical Officer	5.8	
Registered Nurse (Medical)	2.4	
Welder First Class (Aus)/Welder (NZ)	2.3	
Metal Fabricator	2.3	
Mechanical Engineering Technician	2.0	
Graphic Designer	1.9	
Geologist	1.9	YES (National Skill Shortage)
Registered Nurse (Aged Care)	1.4	
Engineering Manager	1.3	YES (National Skill Shortage)
Program or Project Administrator	1.3	
Engineering Professionals nec	1.3	
Civil Engineer	1.2	YES
Skilled Meat Worker	1.2	

<sup>47</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 9.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012- nominated positions located in Western Australia

<sup>48</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 6.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012 – nominated positions located in South Australia

**7. 2011-12 TASMANIAN TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST**

<b>Top 15 Subclass 457 occupations</b>	<b>Percentage of Primary Subclass 457 Visa Grant<sup>49</sup></b>	<b>DEEWR Skill Shortage List (Y/N)</b>
Resident Medical Officer	14.3	
University Lecturer	10.4	
General Medical Practitioner	7.5	
Specialist Managers nec	2.1	
Metallurgist	2.1	
Accountant (General)	1.8	YES (recruitment difficulty)
Systems Administrator	1.8	
Mechanical Engineering Technician	1.8	
Dairy Cattle Farmer	1.4	
Mining Engineer (excluding Petroleum)	1.4	YES(National Skill Shortage)
Dentist	1.4	
Registered Nurse (Aged Care)	1.4	YES (Recruitment Difficulty)
Chef	1.4	YES (National Skill Shortage)
Diver	1.4	
Corporate General Manager	1.1	

**8. 2011-12 AUSTRALIAN CAPITAL TERRITORY TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457 VISA GRANT AND DEEWR SKILL SHORTAGE LIST**

<b>Top 15 Subclass 457 occupations</b>	<b>Percentage of Primary Subclass 457 Visa Grant<sup>50</sup></b>	<b>DEEWR Skill Shortage List (Y/N)</b>
Registered Nurse (Medical)	9.2	YES (Recruitment Difficulty)
Developer Programmer	4.9	
University Lecturer	4.8	
ICT Business Analyst	4.8	
Physicist	3.4	
Minister of Religion	3.0	
Resident Medical Officer	2.8	
General Medical Practitioner	2.5	
Systems Administrator	2.1	
Analyst Programmer	1.8	
Registered Nurse (Critical Care and Emergency)	1.8	YES (Recruitment Difficulty)
Chemist	1.7	
Systems Analyst	1.6	
Software Engineer	1.5	
Massage Therapist	1.5	

<sup>49</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 7.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012 – nominated positions located in Tasmania

<sup>50</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report 2011-12 to 30 June 2012*, Table 2.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012 – nominated positions located in Australian Capital Territory

**9. 2011-12 NORTHERN TERRITORY TOP 15 OCCUPATIONS – PRIMARY SUBCLASS 457  
VISA GRANT AND DEEWR SKILL SHORTAGE LIST**

<b>Top 15 Subclass 457 occupations</b>	<b>Percentage of Primary Subclass 457 Visa Grant<sup>51</sup></b>	<b>DEEWR Skill Shortage List (Y/N)</b>
Registered Nurse (Medical)	6.7	YES
Mechanical Engineering Technician	5.4	
Electrical Engineering Technician	3.0	
Scaffolder	2.8	
Resident Medical Officer	2.7	
Cafe or Restaurant Manager	2.4	
General Medical Practitioner	2.4	
Social Worker	2.3	
Fitter (General)	2.2	YES
Program or Project Administrator	2.2	
Mechanical Engineer	2.1	
Chef	2.0	YES (National Skill Shortage)
Registered Nurse ( Perioperative)	1.9	
Carpenter	1.9	YES
Registered Nurse (Critical Care and Emergency)	1.7	YES

<sup>51</sup> Australian Government Department of Immigration and Citizenship, *Subclass 457 State/Territory Summary Report* 2011-12 to 30 June 2012, Table 4.03 Top 15 nominated occupations for primary applications granted in 2011-12 to 30 June 2012 – nominated positions located in Northern Territory