

## **QUESTION TAKEN ON NOTICE**

**BUDGET ESTIMATES HEARING: 22 May 2006**

IMMIGRATION AND MULTICULTURAL AFFAIRS PORTFOLIO

### **(118) Output 1.1: Migration and Temporary Entry**

Senator Carr asked:

1. What is DIMA's attitude to commissions being deducted from the MSL (minimum salary level) of the sponsored workers to meet the costs of the intermediaries and agents?
2. Does DIMA believe it's common for commissions to be deducted from these temporary visa holders?
3. How many cases has DIMA discovered?
4. What action has been taken?

*Answer:*

1. No deductions are allowed to be made from the Minimum Salary Level (MSL), including those to meet the costs of intermediaries and agents. From 2006, the Minister put this in a gazette notice to further clarify this requirement.
2. The majority of sponsors abide by their sponsorship undertakings. The Department monitors sponsors and conducts targeted site visits to verify that sponsors are complying with their undertakings. Where a sponsor is found inappropriately deducting from pay such that it causes the gross salary to fall below the minimum salary level, action is taken against the sponsor.
3. There are no readily available statistics collected on the number of times this practice has been found. It is noted that state laws regarding this practice vary from state to state. The Commonwealth/State Working Party reviewing the Subclass 457 visa is considering whether uniform state laws in this area would be more effective.
4. Where deductions below the MSL occurred, the Department has, depending on the circumstances of the case:
  - made contact with the visa holder to check whether the deduction was authorised;
  - referred the matter to the Office of Workplace Services for appropriate checking;
  - or
  - counselled the sponsor and sought that they remedy the deduction.