

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 22 May 2006

IMMIGRATION AND MULTICULTURAL AFFAIRS PORTFOLIO

(122) Output 1.1: Migration and Temporary Entry

Senator Carr asked:

Minister's media release 1/5/06:

Please explain the justification for setting the minimum wage payable to holders of 457 visas in regional areas at 90 per cent of that applicable elsewhere.

Answer:

Minimum salary levels help to maintain the skilled focus for the visa and ensure employers consider hiring Australians first.

In July 2002, special concessions to these minimums were put in place to enable employers in regional Australia, in exceptional circumstances, to access salary levels below the national minimum. This was to reflect the generally higher salary levels in most metropolitan areas. The exceptional circumstances must be supported by a Regional Certifying Body.

To ensure the Subclass 457 programme continues to reflect appropriate skill standards, a minimum salary level for regional Australia was introduced from 1 July 2006. The new minimum salary level continues to provide a degree of concession for regional Australia whilst at the same time ensuring that the skill focus is maintained and provides a price signal to encourage employers to consider employing Australians first.

The regional minimum salary level was set at 10 per cent below the non-regional minimum salary level on the basis of average earnings data published by the Australian Bureau of Statistics. In Australian Bureau of Statistics Catalogue Number 6523.0, average weekly income for Sydney, Melbourne, Brisbane and Perth combined, is around \$1188, while the average earnings in Adelaide, Hobart and the balance of all states is around \$1023. This represents a difference of approximately 13 per cent which was rounded to 10 per cent for the sake of keeping the requirements simple.