

Thursday, 26 March 2015

Committee Secretary  
Joint Standing Committee on Migration  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Att: Louise Markus MP, Chair of the Joint standing committee for Migration

cc Deputy Chair, Maria Vanbakinou MP

**PROPOSAL FOR AN INVESTIGATION INTO REGIONAL CONCESSIONS FOR THE  
TEMPORARY SKILLED MIGRATION INCOME THRESHOLD**

I am writing to you today seeking that the Joint standing committee for Migration review the viability of a regional concession of the Temporary Skilled Migration Income Threshold (TSMIT) as per recommendation 5.4 of the Government's response to the 457 review.

Recommendation 5.4 states "*That the government give further consideration to a regional concession to the TSMIT, but only in limited circumstances where evidence clearly supports such concession.*"

The biggest barrier encountered with the current "one size fits all" TSMIT is that it "locks out" many employers and occupations in regional/low population growth areas where there is genuine demand and where market salary rates of pay are lower than the TSMIT. For example a skilled nursery person or production horticulturalist in regional Australia is an eligible occupation for the 457 program however, the relevant award and market salary rates of pay are less than the TSMIT. This means that employers in this industry can not use the 457 program to address genuine skill shortages, however, a reduction in the TSMIT in these circumstances would provide significant benefits to this important sector of the Australian economy.

Page 54 of the report confirms and supports this impediment were it states;

*"The 457 programme is not available to those occupations and regions where the market rate for that occupation is below the TSMIT"*

The intent of the 457 program is as described in the Department of Immigration and Border Protections procedural advice manual is;

*"The 457 visa is primarily intended to provide streamlined entry arrangements for businesses needing to recruit skilled staff from overseas on a temporary basis. The 457 visa program is designed to fill skill shortages that cannot be met from the local labour market"*

Regrettably, a one size fits all TSMIT that restricts access to the program does not support the fundamental principle, intention or objectives of this program.

A regional TSMIT would support economic growth and activity in regional and low population growth areas of Australia and most importantly it would provide employers in regional Australia with access to the 457 program to address genuine skill shortages. This is entirely appropriate as this will then provide access to the program for all employers facing skill shortages, the foundation on what this program is based upon.

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In support of this request it is important to note that as part of the Independent review into the integrity of the 457 programme, submissions were received from the following organisations, membership bodies and government departments regarding the current settings of the TSMIT.

1. *Agrifood Western Australia,*
2. *Australian Hotels Association WA,*
3. *Australian Meat Industry Council,*
4. *Australian Motor Industry Federation,*
5. *Australian Racing Board and Thoroughbred Breeders Australia,*
6. *Chamber of Commerce and Industry of WA,*
7. *Chamber of Commerce and Industry Queensland,*
8. *Chamber of Commerce NT,*
9. *Civil Contractors Federation,*
10. *Department of Business NT,*
11. *Department of Economic Development, Tourism and the Arts (Tasmania),*
12. *Department for Manufacturing, Innovation, Trade, Resources and Energy (SA),*
13. *Housing Industry Association,*
14. *Master Builders Association,*
15. *Migration Council of Australia,*
16. *Migration Institute of Australia,*
17. *National Farmers Federation,*
18. *Queensland Tourism Industry Council,*
19. *Regional Development Australia, Orana,*
20. *Restaurant and Catering Australia,*
21. *West Australian Government.*

In addition to those who made a direct contribution to the 457 review, Migration Solutions has met with and discussed a regional 457 with numerous South Australian industry bodies including the Urban Development Institute of Australia (SA), Civil Contractors Federation (SA), Master Builders (SA), Restaurant and Catering (SA), Primary Industry Skills Council, AusVeg and SACOME all of which support a regional 457 TSMIT where genuine vacancies exist.

The Property Council of Australia (SA) has also supported the introduction of a regional 457 programme, the Printing Industry Association (SA/NT), Primary Producers SA and Group Training Australia (SA) also support a regional 457 program. Discussion with the Baking Industry in SA regarding a regional 457 visa are also supportive.

I believe that a regional 457 program should set the TSMIT at the higher of prevailing market salary rates of pay or the relevant award. An additional component can then be added to the base wage to cover other costs of living in Australia, for example an additional 5% on top of the base salary for those not eligible for Medicare, or an obligation for employers to pay private health insurance costs for regional 457 employees.

In addition to this, the temporary regional 457 program should align to the existing structure of the permanent Subclass 187 Regional Sponsored Migration Scheme which allows employers to nominate/sponsor and employee in any occupation listed on the Australian and New Zealand Standard Classification of Occupations (ANZSCO), skill level 1 through 3. This is something that could also be introduced into a regional 457 program.

I believe there is also an opportunity to create a new migration stream for the Australian temporary and permanent employer sponsored migration programmes. This would be specifically designed to provide enhanced opportunities for economic growth and activity in certain jurisdictions of Australia where GSP or GDP is less than the national average. I believe that there are opportunities for a regional 457 program to link with a permanent economic migration programme. Recommendations for such a program have been made to the Reviewing the Skilled Migration and 400 Series Visa Programme, however a change in the structure of the TSMIT is critical to the success of such a program.

In closing, page 55 of the report states *“In relation to the regional concerns, we acknowledge that, based on the evidence provided in many submissions, there may be merit in having a separate, lower TSMIT for nominations lodged for positions in regional areas”*

It is with respect to these statements and evidence provided in many submissions made to the 457 review that the committee consider and investigate the introduction of a separate, lower TSMIT for nomination lodged for positions in regional and low population growth areas of Australia.

Regards,



Mark Glazbrook MMIA  
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Managing Director  
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# PARLIAMENT of AUSTRALIA

## JOINT STANDING COMMITTEE ON MIGRATION

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22 June 2015

Mr Mark Glazbrook  
Managing Director  
Migration Solutions  
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Adelaide SA 5001

Dear Mr Glazbrook

Thank you for your letter of 27 March 2015 regarding a regional concession of the Temporary Skilled Migration Income Threshold (TSMIT).

The Joint Standing Committee on Migration has given careful consideration to the matters that you have raised in your letter and has received a briefing from the Department of Immigration and Border Protection on the TSMIT.

There are many challenges in establishing a regional concession of the TSMIT which require further examination. The Committee notes that in the Government response to the Independent Review into the integrity of the subclass 457 programme, the Government supported the recommendation to give further consideration to a regional concession to the TSMIT.

The Committee also notes that the impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders is currently being examined by the Senate Education and Employment References Committee (SEERC). The Committee therefore encourages you to put in a submission to the inquiry on the TSMIT.

It is the Committee's view that it would be beneficial to see the outcomes of these two processes before considering this matter further. The Committee will monitor the outcomes of the SEERC inquiry and any work being undertaken by the Government.

Thank you for taking the time to write to the Committee and bringing this matter to our attention.

Yours sincerely

Mrs Louise Markus MP  
Chair