



# Media release

## Senator Chris Evans

Leader of the Government in the Senate  
Minister for Immigration and Citizenship

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### **Government to implement industry report on skilled migration**

The Rudd Government is moving quickly to implement the recommendations made by an External Reference Group (ERG) established to improve Australia's temporary skilled migration program.

The Minister for Immigration and Citizenship, Senator Chris Evans, said the group of industry experts had made 16 recommendations in its final report.

"We have already begun work to implement 14 of the 16 recommendations designed to make the temporary skilled migration (457 visa) program scheme more effective and responsive to industry needs," Senator Evans said.

The report covers six broad areas: long term planning; streamlining application and approval processes; eliminating duplication and unnecessary administration; remaining competitive; and branding.

Senator Evans today announced that a key measure will be the establishment in Sydney, Melbourne and Perth of specialised teams or 'Centres of Excellence' to facilitate and process 457 visa applications from July.

The ERG said that specialised teams dedicated to regions, industries and projects experiencing critical shortages will allow a more responsive service and reduce processing backlogs.

Senator Evans said he has directed the department to allocate extra resources and work overtime to clear the backlog of 457 visa applications by June 30 as a more immediate measure.

As at 1 April 2008, 39 940 temporary skilled visas have been granted in 2007-08, which on current projections is 17 per cent higher than the previous year when 46 680 such visas were granted.

Another key recommendation is to establish an accreditation system whereby "low risk" employers with a good track record of compliance with immigration and industrial relations laws can have 457 visa applications fast-tracked by the department.

"We will develop measures so that employers or employer groups that meet certain criteria will be accredited to have their applications expedited," Senator Evans said.

"The department is currently working on IT system changes to support the identification of low risk employers, who can then have their applications processed by the specialised teams."

The Government will also promote and encourage the wider use of Labour Agreements for larger projects that are in the national interest and have significant economic benefit for Australia.

"Dedicated teams within the department will work more closely with the Department of Education, Employment and Workplace Relations to facilitate these agreements," Senator Evans said.

“The Government will work towards achieving a one-stop shop for major infrastructure projects so they can be processed efficiently while ensuring transparency.”

Other recommendations outlined in the ERG report include:

- Development of a long-term strategy to respond to aggregate labour market and skill needs and population trends;
- Expansion of the department’s front-end support through the industry and regional outreach programs to help employers and industry lodge ‘decision ready’ applications;
- Comprehensive staff training to improve risk-management procedures and increase the efficiency of 457 visa processing;
- Increasing competition between service providers in order to improve the effectiveness and efficiency of the English language testing service. And
- An evaluation of the recommendations implemented by Government be undertaken two years following their introduction.

Senator Evans said the Government will consider a further two of the ERG’s recommendations.

The ERG is of the view that the 457 visa is not suitable to meet semi-skilled and unskilled labour demands, except through the use of Labour Agreements for semi-skilled workers.

The group also recommended renaming the Business Long Stay Subclass 457 Visa as the Temporary Skilled Migration (TSM) Visa to improve market recognition.

“I welcome the report by the ERG and thank the members for their work,” Senator Evans said.

“The ERG consulted widely across key industry groups with consideration of the current labour market pressures and the use of the Subclass 457 visa.

“The recommendations made by the ERG are designed to respond to the immediate labour market pressures facing Australian industry while complementing broader labour market skills strategies and maintaining the integrity of the temporary skilled migration program.

“The ERG report stressed the importance of training to alleviate the skills shortages in the medium to long term, while permanent migration is crucial for meeting long term labour market demands.”

Senator Evans said the ERG report recognised the Rudd Government’s establishment of Skills Australia, which includes funding of an additional 450 000 training places over the next four years, with 20 000 of these training places available from this month.

The Rudd Government has also increased the permanent skilled migration program by 6,000 places for 2007-08, bringing to 108,500 the total number of visas granted under the skilled migration program this financial year.

The report can be viewed on the Department of Immigration and Citizenship’s website at: <http://www.minister.immi.gov.au/media/media-releases/2008/erg-final-report-april-2008.pdf>

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## External Reference Group – List of Recommendations

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### **Introduction**

Following its deliberations, and careful consideration of the submissions received during its consultations, the Visa Subclass 457 External Reference Group (ERG) notes the labour market pressures and skills shortages apparent in the Australian economy.

In this context Australia's skilled migration programs (both permanent and temporary) are seen as important in addressing these pressures. Access to global skills is crucial for the ongoing competitiveness of business in Australia.

Labour market pressures are expected to increase in future due to long term demographic and economic trends. The recommendations below should be considered as part of a package of measures (including training and skilling of Australians) the Australian Government should implement to address Australia's skills and labour shortages.

Throughout its work the ERG has been focused on the importance of maintaining the integrity of the 457 visa program and ensuring ongoing public support.

### **RECOMMENDATIONS**

#### **Better long term planning**

##### **Recommendation 1 – Accepted**

The ERG recommends that the Australian Government develop a long term strategy to respond to aggregate labour market and skill needs and population trends, with specific reference to the role of temporary and permanent migration in responding to structural changes in the composition of the population and labour force.

#### **Streamlining application and approval processes**

##### **Recommendation 2 – Accepted**

The ERG recommends that the department expands its front-end support to employers and industry, through its industry and regional outreach programs, with a focus on developing guidelines and training to help industry increase the proportion of 'decision-ready' applications.

##### **Recommendation 3 – Accepted**

The ERG recommends that relevant government agencies (DIAC, DEEWR) strengthen their back-office processing for temporary skilled migration visas and Labour Agreements to improve speed and effectiveness of processing. To support this measure the government agencies should establish:

- dedicated specialised teams on an industry / sector basis to facilitate and process applications
- 'Centres of Excellence' for temporary skilled migration visa processing.

The ERG recommends that additional resources be allocated on a temporary basis to eliminate the backlog of applications currently on hand within the temporary skilled migration program by end 2008 (at the latest).

#### **Recommendation 4 – Accepted**

The ERG recommends that DIAC and DEEWR establish a system of accreditation for employers who exhibit a set of low-risk characteristics, including an exemplary record of compliance with immigration and industrial relations laws. Accredited employers would have applications fast-tracked.

#### **Recommendation 5 – Accepted**

The ERG recommends that the department consider providing applicants with alternative mechanisms for taking the English language tests by increasing competition between providers to improve effectiveness and efficiency of the English language testing service.

### **Improving the effectiveness of government resources**

#### **Recommendation 6 – Accepted**

The ERG recommends that the department develop and implement a comprehensive staff training program for all staff contributing to the temporary skilled migration program (with particular regard to the improved risk-management procedures proposed in recommendation 9) to improve efficiency and effectiveness of the program and deliver improved long term capacity and capability.

#### **Recommendation 7 – Accepted**

The ERG recommends that resource requirements to support the 457 program be reviewed, taking into account expectations regarding improved processing standards.

The potential need for additional resourcing, including any up front investment to improve processes and training, needs to be balanced against increased productivity and efficiency gains (see for example recommendation 8) and the negotiation of suitable Key Performance Indicators (KPIs). Resourcing requirements are to be agreed in conjunction with the Department of Finance and the Treasury with a view to improving measured performance.

### **Elimination of duplication and unnecessary administration**

#### **Recommendation 8 – Accepted**

The ERG recommends that the department eliminate elements of duplication that exist in the visa processing system (including addressing potentially unnecessary steps such as the nomination process) with a view to improving processing times.

### **Providing scope for flexibility**

#### **Recommendation 9 – Accepted**

The ERG recommends that the department develop a risk management approach to visa processing based on an agreed matrix of risk characteristics to facilitate improved processing while also allowing for resources to be better targeted to higher risk applications.

#### **Recommendation 10 – Accepted**

The ERG recommends that mechanisms be developed to provide employers and workers with more information as to their rights and responsibilities under the system.

The ERG recommends increasing the flexibility of movement of workers between sponsors.

### **Recommendation 11 – Accepted**

The ERG recommends that Labour Agreements be promoted as a tool to manage the temporary entry of overseas workers to meet the range of labour needs for large projects that are in the national interest and have significant economic benefit to Australia. Steps to this end could include:

- the development and provision of improved information regarding relevant criteria and procedures
- the allocation of dedicated teams to facilitate applications.

The ERG recommends that, to encourage community acceptance of the wider use of Labour Agreements, the process be made more transparent, which ensuring:

- consultation does not convey a power of veto over the proposed agreement
- applications remain Commercial-in-Confidence during negotiations.

### **Recommendation 12 – Accepted**

The ERG recommends that DIAC and DEEWR investigate processes to improve the flexibility of the temporary skilled migration program in meeting the needs of small business and infrequent users. Such improvements could include review of areas such as:

- difficulties in meeting the training requirement of the current visa process, and scope for more flexible training options (considering the potential use of a training levy or other mechanisms to support government training programs). Noting however, that care needs to be taken that there is no disincentive in this process for firms meeting their current training obligations.
- developing opportunities for small and medium size businesses to take advantage of economies of scale (for example, by allowing on-hire firms or industry representative bodies to meet all relevant sponsorship requirements).

### **Recommendation 13 – For further consideration**

The ERG is of the view that the Visa Subclass 457 visa is not suitable to meet market requirements for semi-skilled and unskilled labour except through Labour Agreements for semi-skilled. Hence, the ERG recommends, in addition to the broader utilisation of Labour Agreements proposed in recommendation 11, that the Australian Government pilot other approaches to the provision of a range of labour in specific industries.

### **Remaining competitive**

#### **Recommendation 14 – Accepted**

The ERG recommends that the department regularly review and benchmark its practices against comparable countries to ensure Australia's competitiveness in the international labour market.

#### **Recommendation 15 – Accepted**

The ERG recommends that an evaluation of the recommendations implemented from this review should be undertaken two years following their introduction.

### **Branding**

#### **Recommendation 16 – For further consideration**

The ERG recommends that the Visa Subclass 457 be renamed the Temporary Skilled Migration (TSM) visa to improve market recognition of the visa and its applicability in the labour market.

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