

THE AUSTRALIAN

Pay cut for foreign workers

DAVID CROWE THE AUSTRALIAN AUGUST 29, 2014 12:00AM

EMPLOYERS will be able to hire foreign workers on salaries up to 10 per cent below standard rates for skilled migrants under a new federal government plan to ease dangerous labour shortages.

Staring down union fears over imported labour, the federal government will allow employers to seek lower pay rates and easier language tests for foreign workers who can meet an urgent demand for skills in regions that are losing staff.

The new rules were signed off this week and are set to be applied in Darwin and then offered to other areas suffering an exodus of skilled workers rushing to join mining and gas companies.

Dozens of job categories will be covered so communities can bring in childcare workers, disability carers, mechanics, bricklayers, office managers, carpenters, chefs, nurses and many others.

Employers of all sizes will be able to sponsor overseas staff on wages that are up to 10 per cent below the usual rates set for 457 skilled worker visas, using a new kind of migration agreement for areas under stress.

The Australian can also reveal that concessions on skills and qualifications will be considered if companies prove they desperately need the foreign workers because they cannot find the same skills locally.

Darwin is seen as the priority as its workers leave their jobs for pay rises and better conditions at the \$34 billion Ichthys gas project outside the city.

The final rules, overseen by Assistant Immigration Minister Michaelia Cash, respond to pleas from local authorities and business groups for more flexible visas to fill the yawning gap in the labour market.

Senator Cash said the new “Designated Area Migration Agreements” would “supplement rather than substitute” Australian workers.

The message from employers is that generous payments to move Australian workers from places such as Tasmania are not enough, with one of Labor’s relocation bonuses attracting only 48 applicants in 2011 despite being available to 4000.

The new measure is likely to inflame a dispute with unions over the 457 skilled worker visa and whether the new terms could allow deals that drive down wages.

The union concerns could grow when the government announces the guidelines, which will enable employers ranging from cafes to construction companies to sign individual labour agreements to hire the foreign staff.

Australia had 108,870 primary visa holders in the 457 program working in the country at June 30 — less than 1 per cent of the workforce — but the program is controversial at a time of rising unemployment.

Visa applications have fallen over the past year in the wake of the Gillard government's move to increase application fees by up to 800 per cent last year in response to complaints from unions.

Political fights over foreign workers led Labor to shelve plans for “regional migration agreements” after the Gillard government promised in early 2012 to implement the idea as a “pressure valve” to help businesses with skill shortages in cities such as Darwin.

The Abbott government will soon announce the details of the new agreements to act on the 2012 idea, but unions are already attacking the concept.

ACTU president Ged Kearney has warned the new rules would “totally undermine” local workers while Electrical Trade Union national secretary Allen Hicks expressed fears about more unskilled workers coming into the country.

The final guidelines, seen by The Australian, show that unskilled workers will not be allowed into the country under the new DAMA visas.

The eligible occupations will be those on levels 1 to 4 of the Australian and New Zealand Standard Classification of Occupations (ANZSCO) list. Level 1 covers managers and level 4 covers tradespeople.

Employers of any size will be able to sponsor foreign workers on 457 visas under the special DAMA rules but they must clear several hurdles first.

Each migration agreement will be limited to a specific area, such as Darwin or the Pilbara in Western Australia. Each agreement must be approved by a local authority, which in the case of Darwin is expected to be the Northern Territory government.

The unemployment rate in Darwin is about 2 per cent and federal government sources have dismissed the possibility of DAMAs being allowed in regions with high jobless rates.

As with 457 visas, employers will have to pay market rates for the foreign workers and will also have to meet the Temporary Skilled Migration Income Threshold.

However, they will be able to apply for a concession on the TSMIT of up to 10 per cent.

Government advisers told The Australian last night there would be strict conditions on the 10 per cent concession, only making it available where risks associated with hardship to overseas workers could be managed.

Another source said a 10 per cent concession was reasonable. If an employer was allowed the full 10 per cent concession, he or she could pay a skilled worker \$48,510 a year rather than the minimum rate of \$53,900.

While the usual 457 rules set standards for English skills in categories such as speaking and writing, the bar could be lower for those on a DAMA program, as long as the average test

mark was still five out of nine, as with 45

The rules state that unions, business and the community would have to be consulted before the request for a DAMA is made.

“The issue of skills shortages is not properly addressed by a one-size-fits-all approach,” Senator Cash said.

“Our immigration responses should recognise the unique labour needs of different geographic areas and allow flexibility to properly respond to those needs.”

×

Share this story

Facebook ([http://facebook.com/sharer.php?u=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&t=Pay cut for foreign workers](http://facebook.com/sharer.php?u=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&t=Pay%20cut%20for%20foreign%20workers))

Twitter ([https://twitter.com/intent/tweet?url=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&text=Pay cut for foreign workers](https://twitter.com/intent/tweet?url=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&text=Pay%20cut%20for%20foreign%20workers))

LinkedIn ([http://www.linkedin.com/shareArticle?mini=true&url=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&title=Pay cut for foreign workers](http://www.linkedin.com/shareArticle?mini=true&url=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&title=Pay%20cut%20for%20foreign%20workers))

Google (<https://plus.google.com/share?url=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100>)

Email ([mailto:?body=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&subject=Pay cut for foreign workers](mailto:?body=http://www.theaustralian.com.au/national-affairs/industrial-relations/pay-cut-for-foreign-workers/story-fn59noo3-1227040705100&subject=Pay%20cut%20for%20foreign%20workers))