



**AUSTRALIAN
COMPUTER
SOCIETY**

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A member of the
Australian Council of Professions

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Ms Barbara Deegan
Chair
457 Integrity Review
Department of Immigration and Citizenship
PO Box 25
Belconnen ACT 2616

Dear Ms Deegan

Thank you for the opportunity to be part of the Governments Visa Subclass 457 Integrity Review and to provide comments on the first issues paper to be released as part of the review, Issues Paper #1: Minimum Salary Level and Labour Agreements.

The ACS is the Australian representative body for Information & Communications Technology (ICT) professionals, attracting a large and active membership from all levels of ICT industry. As a member of the Australian Council of Professions, the ACS is the public voice of the ICT profession and the guardian of professional ethics and standards in the ICT industry, with a commitment to the wider community to ensure the beneficial use of ICT and to support and develop the local ICT sector.

As you may know, the ACS provides skills assessment on behalf of the Department of Immigration and Citizenship for permanent visa applicants for the ICT sector, a role we have undertaken since 1993. The ACS skills assessment process has recently been subject to review and benchmarking at an international level by the International Federation of Information Processing, the international umbrella organisation for ICT societies.

The ACS has also recently commenced providing the Professional Year Program for overseas ICT graduates seeking permanent residency in Australia on behalf of the Government.

The ACS believes that 457 visas are an important source of labour and skills for the Australian ICT sector and should be available for use wherever particular skill shortages are impeding productivity and development and the appropriate skill sets cannot be readily sourced from the Australian labour market within a reasonable time frame.

The ACS policy on 457 visas is based on the following principles for sourcing/searching for ICT skills:

ICT Professionals Shaping Our Future

- cross training or up-skilling of existing staff;
- sourcing of skills available within the domestic market; and
- use of 457 visas to source appropriately skilled labour from overseas where those skills are not readily available domestically.

In deciding which of the above options to take, the ACS believes employers should consider the time and cost needed for up-skilling or cross training their current staff in comparison to sourcing applicants from overseas.

To help employers better understand and compare the costs of sponsoring labour from international sources with domestically available recruitment options, DIAC could include a 'ready reckoner' on its web site that would provide an estimate of the relevant costs.

The 'ready reckoner' should include all ancillary and non-salary costs associated with sponsorship arrangements.

Minimum Salary Level

Generally, the ACS considers the minimum salary level (MSL) provides a reasonable signal to employers to encourage training and hiring from the domestic labour market before considering 457 visa sponsorship arrangements, particularly when ancillary and non-salary costs are factored into the total sponsorship costs.

In addressing the 457 visa issue, the ACS considers that these visas are not generally appropriate for bringing entry level employees or new graduates into the country.

They are meant to provide access to employees with skills not easily sourced within the domestic market. For the ICT sector, the ACS considers that this would mean that visa applicants would have as a minimum three to four years experience. On this basis, the MSL of \$59,480 would seem appropriate.

However, should there be a need to sponsor graduates or recent graduates, the current ICT MSL, may be considered too high.

ICT covers a very broad range of occupational categories and job specialisations that command a diverse range of salaries for both experienced and inexperienced ICT professionals.

To take account of this, the ACS believes that rather than having a single MSL, it should be set at the prevailing market rate for particular ICT occupations or specialisations, indexed on an annual basis.

The ACS acknowledges the difficulties around achieving this given the large number ICT occupational categories. However, ICT is the one most global sectors

and occupations and significant movement of ICT professionals between countries seems likely to not only continue, but increase, making it important that Australia refine the workings of the MSL for the ICT sector to reflect this increasing globalisation and to encourage growth of the local ICT labour market.

For many multinational firms, the price signal for the MSL must establish a balance between the costs of maintaining the role in Australia and relocating it to a cheaper overseas destination. So while it is important to ensure the 457 visas are not being used to displace Australian workers, it is also important to ensure that the cost imposed on 457 sponsors do not drive greater offshoring of ICT roles and functions.

Current variations in the MSL between regional and metropolitan areas seem reasonable given the differing cost of living pressures between the two. However, it is worth considering that a lower MSL for regional areas might make it more difficult to attract appropriately skilled staff to these areas.

Regional areas are having trouble attracting skilled workers even in areas that are not considered in short supply. Having a lower MSL for regional areas is not likely to help this situation unless there are some added incentives or benefits. The ability to include non-salary benefits may provide greater flexibility for employers in attracting skilled overseas professionals.

Skills Verification

The ACS believes that greater certainty and assurance that the people being sponsored into Australia on 457 visas are indeed those with skills considered in short supply could be achieved by introducing some form of skills verification for 457 visa applicants.

Skills verification should include criteria around competence and experience for the role being undertaken by the visa applicant. It should also include a level of granularity to differentiate between technologists, specialists and professionals within given occupational categories. This would allow more accurate determination of appropriate salary levels.

Skills verification would reduce concerns that 'cheap' international skills are being used to replace readily available domestic skills and provide improved data around the skills and specialisations being imported into Australia, for use in planning and curriculum development by tertiary education providers to supply graduates with the domestic skills in demand by industry.

Labour Agreements

The ACS has little involvement with 457 Labour Agreements and has not addressed this area of the Review to any extent.

We note that key negotiation points for Labour Agreements are around skill levels and qualifications of overseas nominees and education and training initiatives.

Skills assessment for 457 visa applicants under Labour Agreements would help resolve skill level and qualification issues.

In terms of education and training initiatives, the Australian Government has recently recognised the need for permanent visa applicants seeking residency in Australia to have a high standard of English and be familiar with Australian common work practices and business culture. The ACS provides a Professional Year Program on behalf of the Government for recent graduates seeking permanent residency so that they can learn these skills.

Given that a significant proportion of 457 visa holders go on to seek permanent residency, there may be some benefit to this type of program being extended to long stay 457 visa applicants. Such a program could include information on applicant's rights as workers in Australia, their individual obligations and the obligations of their sponsors. A program of this nature would better prepare long stay temporary migrants for life in Australia.

Should you require any further information on the points raised in this submission, please do not hesitate to contact me on 9299 3666. The ACS would appreciate the opportunity to meet with you at a mutually convenient stage during the review process to discuss its proposals.

Yours sincerely

A handwritten signature in black ink that reads "Kim Denham". The signature is written in a cursive, flowing style. To the right of the signature is a vertical red line.

Kim Denham MACS PCP
Chief Executive Officer