

Government says 457 changes will strengthen integrity but reduce regulation

ELEANOR HALL: The Federal Government says it will reduce regulation at the same time as it strengthens the integrity of Australia's controversial 457 skilled visa program.

The Assistant Immigration Minister Michaelia Cash today released the Government's response to a review into allegations of rorts and abuse in the system.

It will now be an offence for businesses to be paid for sponsoring a 457 visa holder and there will be tougher checks on suspected rorters.

From Canberra, Naomi Woodley reports.

NAOMI WOODLEY: The Assistant Immigration Minister Michaelia Cash says the review of the 457 visa program did not reveal the widespread rorting claimed by the previous government.

But she says it has recommended some changes, which the Government will adopt.

MICHAELIA CASH: In relation to the integrity of the 457 program, we will strengthen that by increasing focus on and resourcing for monitoring of 457 sponsors.

We're also looking at the introduction of a new penalty making it unlawful for sponsors to be paid for a migration outcome, greater transparency around the departments sanctions processes, increased information sharing among key government agencies, in particular the Australian Taxation Office.

NAOMI WOODLEY: The Government has adopted most of the 51 recommendations made in the report, although those calling for more resources are supported "in principle".

MICHAELIA CASH: And when you talk about resources it's not always funding that's the important part.

Sometimes it's actually looking at the manpower associated with integrity and compliance, and certainly under this government to date we have already seen an increase in the number of sponsors that have been monitored and certainly we will continue to be doing that.

NAOMI WOODLEY: The review called for labour market testing to be abolished.

It requires employers to test the local market for suitable employees first. The Government's noted that recommendation, but not gone any further.

MICHAELIA CASH: We're not going to rush to remove labour market testing in an unconsidered manner, rather what we will be doing is referring the matter of labour market testing to the newly constituted ministerial advisory council on skilled migration for advice on appropriate arrangements to ensure Australian's have priority.

NAOMI WOODLEY: Innes Willox from the Australian Industry Group says they'll keep working to change the government's mind on that point.

INNES WILLOX: We believe that labour market testing when it comes to 457s is costly and it's ineffective and doesn't achieve much.

NAOMI WOODLEY: He says they'll also watch carefully the development of a new training fund to replace the current scheme of training contributions.

INNES WILLOX: The principle of the fund is good, there's no problem with that at all and it should go into training because we do need to train our workforce first, the issue is just how much businesses should put into that, how the fund will be governed and then the process around what happens with large and small businesses. So there might need to be a differentiation put in there.

NAOMI WOODLEY: But Innes Willox says the industry group broadly welcomes the proposed changes.

INNES WILLOX: this does take some of the bureaucratic weight off business and it still allows the program to run but it ensures that any unscrupulous behaviour by employers is cracked down on.

NAOMI WOODLEY: That's not the view of the union movement.

The secretary of the Australian Council of Trade Unions, Dave Oliver, says they want a further inquiry into the use and abuse of temporary visas, like 457s.

DAVE OLIVER: We are deeply concerned at a time when we've got unemployment in this country that is stilling at 6 per cent, youth unemployment that is stilling at around about 14 per cent and we've got a government that is trying to loosen requirements for bringing in temporary workers overseas.

NAOMI WOODLEY: He's worried the proposed new training fund could see less money going towards training more local workers.

DAVE OLIVER: We've long argued that if you're going to have at one end of the spectrum, the capacity for employers to bring workers in from overseas there should be a requirement on them that they should be putting money into a training fund so we can train up local people.

NAOMI WOODLEY: This Minister Michaelia Cash rejects his concern and says unions will be involved in consultations about the new scheme.

MICHAELIA CASH: This recommendation is all about improved training opportunities for Australians which are done in a transparent manner.

NAOMI WOODLEY: The ACTU's Dave Oliver is also worried about the safety implications of changing English language testing requirements.

Applicants will now have to average a score of five across the four components instead of passing each one.

DAVE OLIVER: Particularly in those hazardous industries as building and construction where it is important that you can have effective communication skills and we're deeply concerned that any watering-down of that test could put these workers at risk.

NAOMI WOODLEY: The Minister Michaelia Cash says it's not a dramatic change.

MICHAELIA CASH: We have also put in a floor - they will not be able to achieve anything less than 4.5 in any of the components.

So it does not represent a consequential lowering of the English language requirement, it merely represents some flexibility.

NAOMI WOODLEY: She says the Government aims to have all changes put in place by the end of this year.

ELEANOR HALL: Naomi Woodley reporting.