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Migrant pay rise sparks outcry

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The federal government has increased the minimum salary payable to skilled immigrant workers by more than 7 per cent to \$41,850 in most professions, prompting further union attacks on the use of temporary work visas to ease skills shortages.

Immigration Minister Amanda Vanstone announced that, after consultations with the information technology sector, the minimum salary level for IT workers would be raised by 12.9 per cent to \$57,300.

For positions for highly skilled senior managers applying for permanent migration, which do not require a skills assessment, the minimum salary would be raised to \$165,000 a year.

The minimum salary requirements - which are reviewed annually and will apply from Wednesday - do not override legal requirements for such workers to receive Australian pay and conditions, such as awards, workplace agreements, superannuation and tax.

Senator Vanstone said the vast majority of employers were paying well above the minimum salaries, and the average salary of the section 457 scheme's long-stay visas was \$65,000.

"This reflects the fact that overseas workers are sought to fill genuine skill shortages in Australia and that, as a result of that shortage, wages in those trades and professions are being driven up," she said.

The government has also unveiled changes to regional concessions - applying from July 1 - which require salaries in regional areas to be at least 90 per cent of the standard minimum level.

Temporary skilled workers will also be required to have "at least functional levels of English".

But **ACTU** president **Sharan Burrow** said Senator Vanstone was "dodging the vital questions" on whether employers were properly testing the local labour market and on exploitation of overseas workers.

"It's out of control," she said. "Over 100 of these [visas] are issued every day on the say-so of employers."

The new body for setting minimum pay for Australians, the Fair Pay Commission, will call today for submissions as it works on its first determination, due by November.

The chief executive of the Australian Chamber of Commerce and Industry, Peter Hendy, argued yesterday that no system had ever guaranteed always to deliver increases that topped the inflation rate.

He said the system administered by the FPC was only a safety net for the lowest paid and need not regulate wage increases for employees earning more than the average wage.

"More employers and employees can be better off if they are in the bargaining system and not priced out of work," he said.

The **ACTU** has seized on advice posted on employer group Australian Business Limited's website. It said "blame the government" would be a popular strategy during the introduction of the Work Choices laws.

"If an entitlement has been removed by law, tell employees that you had no option but to get rid of it, because that is what the law required you to do," the article said.

But Ms Burrow said that employers were not forced to take away rights from workers. "They can choose to allow arrangements to remain as they were in the past - it is their Work Choice," she said.

KEY POINTS

- * Minimum pay for skilled migrant workers is reviewed annually.
- * Amanda Vanstone says most employers pay well above minimum.
- * The **ACTU** asks whether employers are properly testing the local labour market before asking for migrants.

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