

# Response to: Visa Simplification - Transforming Australia's Visa System

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Submission to the Department of Immigration and Border  
Protection

September 2017

## Introduction

The Australian Chamber welcomes the opportunity to provide input to the Department of Immigration and Border Protection's review into transforming Australia's visa system.

The Chamber has maintained a strong engagement with migration policy over many years, providing a highly considered and evidence-based viewpoint on the business impacts of migration policy.

The Australian Chamber supports the reduction of red tape and the streamlining of services. However, this cannot come at the cost of reducing the integrity of the system or its ability to meet the needs of business and the broader community. The Australian Chamber acknowledges that the current visa system is complex and at times difficult to navigate and does agree that simplification of this system should be possible.

This submission does not set out to provide detailed commentary on every aspect of the current migration system; rather it takes a high level approach. More detailed commentary can be provided as the proposed reforms take shape.

## Migration benefits Australia

Migration has been an integral part of our national story, and has made an enormous economic and social contribution. The 2016 Census reveals that 26 per cent of Australians were born overseas, and just under 50 per cent of Australians had a least one parent born overseas<sup>1</sup>. Australia is a nation that is built on migration, as is our workforce and our economy.

The Australian Chamber has concerns over ill-informed public commentary in the past decade that migrants enter Australia to 'take Australians' jobs'. This sort of commentary creates and grows community distrust in the migration system and reinforces negative connotations people may have. The Chamber is concerned by commentary and ongoing inquiries that create and/or reinforce community perceptions that employment is a zero-sum game – that jobs can be "taken" by overseas workers. The last round of visa reform, announced in April 2017, which restricted

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<sup>1</sup> Australian Bureau of Statistics, Census of Population and Housing: Australia Revealed, 2016, <http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/2024.0Main%20Features22016?opendocument&tabname=Summary&prodno=2024.0&issue=2016&num=&view>

migration, both in terms of increased cost and in much tighter regulation, reflects that the negative sentiment is influencing policy and it is definitely impacting the political discourse.

In refuting the concept of migration taking jobs from Australians, in an April 2015 submission to a Senate enquiry, the Australian Chamber stated:

*'Australia's economic performance over its life, and the growth in the workforce over that time, has proven beyond a doubt that a balanced migration programme has been good for the jobs growth of Australians and has enhanced, not detracted, from opportunities for Australians'*<sup>2</sup>

This statement is reflective of the Chamber's approach to migration policy, and is an approach that should also be championed by Governments of all levels, as it was by the Productivity Commission in 2016:

*'There is a general perception that this system has served Australia well, notwithstanding some divergence of views in the community. The relative shift to a focus on skills, while maintaining opportunities for family reunion and a humanitarian intake, has improved economic and social outcomes, particularly for the immigrants themselves, and for the broader community.'*<sup>3</sup>

The Department of Immigration and Border Protection's Policy Consultation Paper states that *'tourism, temporary migration and permanent migration benefit Australia economically and socially'*<sup>4</sup>.

Not only is this a sentiment the Australian Chamber strongly agrees with, but the Chamber urges the Department, and the Government generally, to reinforce this sentiment at all available opportunities both in statement and in good policy. Research from the Lowy Institute shows that negative sentiment is growing, with 40% of Australians believing our immigration intake is too high (up from 2014 by three percentage points)<sup>5</sup>. This shift towards negativity is of concern, but the continued majority who support migration provides the basis for rebuilding confidence. It is also reinforces a view that the noisy opposition to migration expressed through the media can influence policy more so than the support of the silent majority.

The Chamber holds grave concerns that if reform is undertaken within this negative environment, then positive reform outcomes will be endangered and are likely to be sub-optimal, even counterproductive. In short, public perception of the benefits of immigration must be changed before any meaningful and beneficial, and politically palatable reform to the migration system can be delivered.

### **Recommendation 1: Address the increasing negative public sentiment about migration**

Migration has had an enormous and positive impact on the Australian economy and society over many decades, and it is needed to ensure Australia's future prosperity. As a condition precedent for broad-based visa reform, the Government working with key stakeholders including business must address negative sentiment within the community and consistently reinforce the view that migration is of great benefit to Australia.

<sup>2</sup> Australian Chamber of Commerce and Industry, 'ACCI Submission to Senate Education and Employment References Committee Temporary Work Visa Programs', 2015, p7

<sup>3</sup> Productivity Commission, 'Migrant intake into Australia, 2016, p5

<sup>4</sup> Department of Immigration and Border Protection, 'Policy Consultation Paper – Visa Simplification: Transforming Australia's Visa System', <http://www.border.gov.au/Trav/visa-reform/policy-consultation-paper>

<sup>5</sup> Lowy Institute, 'Lowy Institute Poll 2017', 2017, p15

## Tourism benefits Australia

A significant function of the visa system is the facilitation of tourism including business tourism.

As Australian Chamber – Tourism highlights in its policy position document, at a time when many Australian industries are struggling, tourism is booming. Last financial year the tourism sector directly contributed \$53 billion to the Australian economy, up 7.4 per cent from the previous year. Tourism directly or indirectly employs some 934,300 Australians<sup>6</sup>.

In 2016-17, 8.6 million international tourists came to Australia<sup>7</sup>. Streamlined, responsive and affordable visa arrangements are critically important to facilitate this important export.

With all but New Zealand tourists required to obtain a visa before arrival in Australia, the vast majority of the 8.5 million temporary visas issued in 2016-17 were tourist visas.

Improvements in electronic processing have to some extent alleviated the need for a relaxation of the visa requirement for Australia's key source markets. However, Brexit provides an opportunity to revisit this for the United Kingdom, and other markets that sit alongside New Zealand as equivalent from a security perspective. There are also opportunities to:

- continue to improve the timeliness and affordability of tourism visas.
- improve approval rates for conference delegates.
- consider an Indian Ocean Rim travel card on the back of the success of the APEC Business Card

## Simplification is a positive ambition

The ambition of reducing the number of visas and with it a reduction in complexity, is positive. The issue for business will be whether the gains of simplification outweigh the costs. By way of example, a critically important temporary migrant is the working holiday maker. At present there are two visas for the WHM, one is more restrictive (including caps – subclass 462) than the other. In reducing down to 10 visas, the question is whether in making only one visa class for WHM this would mirror the less restrictive category, or the more restrictive category, or follow another path entirely. This example demonstrates that the regulatory outcomes are more important than the number of visas.

The discussion paper poses the question as to what would a system with 10 visas look like. Perhaps a more important question is what the Government believes it looks like, as it is highly probable that the work has been done in order to realistically entertain such a specific figure. Without this information, it is difficult to speculate as to what the impact would be.

Key factors to consider in simplification include:

- improving or at least not diminishing responsiveness to needs
- improving accessibility, including increasing affordability
- not transferring existing complexity to new visa classes
- reducing complexity and increasing efficiency of processing
- being complementary to streamlining of processing to reward reliable, low risk users
- ensuring Australia continues to meet its humanitarian responsibilities.

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<sup>6</sup> Tourism Research Australia, 'State Tourism Satellite Accounts', 2017, p5

<sup>7</sup> Tourism Australia, 'Tourism Statistics: International Visitor Arrivals', <http://www.tourism.australia.com/en/markets-and-research/tourism-statistics/international-visitor-arrivals.html>

- retaining key components of the system including tourists, students, graduate workers, working holiday makers, independent skilled workers, employer nominated workers (both permanent and temporary), seasonal workers, business owners/investors, humanitarian entrants, family and spouse migrants, and short term business travellers for work.

In examining the list of current visas, it appears that even within these parameters, there is scope for improvement. For example, according to the Department's website<sup>8</sup>, there are 24 visa categories in the family and spouse migrant area, including two provisional spouse visas. Reducing this would appear logical, but stakeholders may have equal concerns in this area as business has with the visas it finds most valuable.

Each amalgamation or elimination should be treated on its merits based on a cost/benefit approach. Taking this cost/benefit approach, it is more reasonable to not commence visa reform with a particular target number in mind. Success could still be achieved in halving the number of visa categories (rather than reducing them from over 90 to 10), if that is more likely to take into account the key factors for reform such as those listed above.

### **Recommendation 2: Assessing each visa amalgamation or elimination on its merits is better than commencing with a target number of visas**

While simplification is a positive ambition, consideration of amalgamating or eliminating visas should be taken on its merits, taking into account a cost/benefit analysis and also key factors that should underpin the decision making.

## **Provisional Residence**

There is a contradiction developing between moves towards limiting temporary pathways to permanency (such as in the reform of temporary skilled migration visas) while at the same time considering increasing the use of provisional residence visas.

Time spent living and working in Australia before applying for permanent residency can provide benefits for both the migrant and current or prospective employers. For this reason, the Australian Chamber has been a consistent supporter of temporary migration being a legitimate and useful pathway to permanency. This support is not the same as suggesting that the only pathway to permanency should be through a provisional or temporary visa.

Moving to a new country is a substantial step and for many valuable migrants, any requirement that there should be an "interim" phase where permanency is not certain may present a barrier that is considered unacceptable. Often this depends on the stage of life of the intending migrant, and the potential impact on any spouse or family.

The reasons cited for considering provisional residence include savings to the taxpayer, as provisional visas usually limit access to government benefits. This saving may not outweigh the detriment arising from limiting migration options and choice of best candidates.

## **Consultation is key**

The brief discussion paper issued by the Department to commence this consultation on the visa system is only the beginning of what should be long and detailed discussions with key stakeholders. The Australian Chamber has been on the frontline in the past when major policy decisions in migration are made without consultation, and it is frustrating and inefficient.

<sup>8</sup> <https://www.border.gov.au/Trav/Visa-1/Visa-listing>

The Chamber welcomes the opportunity to provide input into the review at such an early stage of the process.

### Recommendation 3: Consult extensively prior to any changes

The Australian Chamber recommends submissions in response to the Department of Immigration and Border Protection's policy paper kick-start widespread consultations with stakeholders, including industry. These consultations should provide opportunities for interested parties to provide both written and oral contributions.

## Conclusion

A responsive, affordable and agile visa system is critically important and has an impact on tourists and migrants who desire to come to Australia either temporarily or permanently. Achieving a simpler visa system is highly desirable, but can only be achieved with beneficial outcomes if:

- reform occurs in a positive environment of community support for the benefits of migration so that movement of people is facilitated and not further restricted,
- in assessing whether there should be an amalgamation or elimination of visas, a cost/benefit analysis is undertaken together with a test against key success factors, and
- further widespread consultation is undertaken, particularly with industry.

Simplification of the visa system is not an end in itself but a means to an end where the movement of people across our borders is efficiently and effectively facilitated to maximise the economic and social benefit to Australia while at the same time maintaining the security and integrity of the system.



## About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country, making us Australia's most representative business organisation.

This submission also incorporates the views of **Australian Chamber – Tourism** which is an active committee of members operating within our organisation.

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