



11 May 2009

Catherine King MP, Chair
Infrastructure, Transport, Regional Development & Local Govt. Committee
House of Representatives
PO Box 6021, Parliament House
Canberra ACT 2600

Copy sent via email: itrdlg.reps@aph.gov.au

Dear Ms King,

Re: the global financial crisis and regional Australia

The Migration Institute of Australia (MIA) is the national body representing migration professionals. Our members are at the forefront of the migration industry and deal both with individuals interested in working in Australia and businesses that require overseas workers. In a recent member survey, 40% of MIA members report that up to a quarter of the Temporary Business Sponsorship visa applications (Subclass 457) they handle are for regional areas.

The MIA acknowledges the impact of the current financial crisis on the employment sector. We agree that in a climate where some industries are cutting staff or implementing hiring freezes, Australian jobs must be protected and given priority.

Our concern is that this focus on jobs for Australians has been translated into ill-conceived migration policy regarding the hiring of overseas workers on temporary skilled visas, and in particular a slowing down or near-halt in the processing of 457 visas.

MIGRATION INSTITUTE OF AUSTRALIA

T 02 9279 3140 | F 02 9279 3172 | E info@mia.org.au | W www.mia.org.au
Post: PO Box Q102, QVB Post Office NSW 1230 | Street: Level 3, 83 York Street, Sydney
ABN 83 003 409 390



On 2 April, the Minister for Immigration and Citizenship announced details about policy changes to the Temporary Business Entry program that had been flagged since February 2009. Nearly all surveyed MIA members (93%) say that the processing of applications has slowed down since that time.

Further, there has been a marked increase in the number of visa applications being referred from a processing centre to DIAC's national office for assessment. This would previously occur very occasionally, however now 20% of MIA members say they've had a referral since the policy changes. Likewise, more than half of MIA members (55%) report an increase in "integrity checks" of applications. This comes at a time when it looks likely that DIAC will be making many staff redundant. The Department can ill-afford to lose staff when its workload is increasing.

Of most significance is the dramatic increase in processing times and approvals for visa applications. 36% of members haven't had any 457 applications approved in the last five weeks, compared to the usual processing time of two working days for complete applications.

Despite the global financial crisis, there is still demand for overseas workers in regional areas. Nearly 70% of organisations are still experiencing skill shortages (Australian Human Resource Institute, April 2009), and if a suitable Australian applicant can't be found, the accepted solution is a temporary overseas employee.

The processing delays for 457 visas are causing businesses to be disadvantaged. 73% of MIA members report this to be the case, and it can reasonably be assumed that some of those businesses are regional. For example, many members report that construction projects have been unable to begin or to progress to the next phase without having appropriate skilled labour to meet the project's requirements. Due to extensive processing delays, the company loses the applicant, potentially putting the entire project at risk and losing other contracts.

In other industries like nursing, current staff are working unreasonable hours including double shifts due to chronic understaffing. Processing delays means these positions are unfilled while evidence of "Benefit to Australia" is being demanded, despite Registered Nurses being on the Department's own Critical Skills List.

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The impact on businesses can be disastrous. The viability of an entire business can be threatened by not granting a crucial potential employee a 457 visa. Some regional business owners fear they will have to shut down completely if one overseas worker can't be found. The unintentional result...? More Australians out of work. This is particularly the case in the hospitality industry. The increased English language requirement for Chefs and Cooks (raised from 4.5 to 5 IELTS score) means that many potential employees would no longer be eligible for a 457 visa. Restaurant owners are either delaying opening a new business, or being forced to shut down or reduce the opening hours of an existing restaurant.

The increased English language requirement is one of the likely reasons for visa applications being turned down. Only 9% of MIA members agree that the increase is necessary, with 91% believing that it's either unnecessary or necessary only in some cases. Members report that the new requirements are too restrictive, particularly for Cooks and Chefs, and that the employer should be able to exercise their discretion. The MIA believes that approving visas based on English language is potentially discriminatory, harking back to the days of the White Australia policy.

Long processing delays are caused, in part, by insufficient DIAC guidelines regarding supporting documentation given the greater emphasis placed on this part of the application. 75% of MIA members say the guidelines are not clear enough regarding evidence of Benefit to Australia and 84% of MIA members report insufficient guidelines regarding estimation and assessment of market rates of pay.

This insufficiency means visa processing staff are unsure about how best to uniformly implement and interpret policy changes. Members report different explanations, requests and outcomes from different officers and processing centres.

Nearly a third (31%) of those who have employed skilled migrants want the immigration process as a whole improved (Australian Human Resource Institute, April 2009). The MIA would like to see a reversal in the recently introduced changes to 457 visa policy which place too many restrictions on the hiring of overseas workers, and for DIAC to improve its guidelines for visa applications.

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A transparent migration system, easily negotiable by both employers and potential workers, will ensure the effects of the global financial crisis aren't worsened in regional areas. The Government should take the long-term view that business migration is needed for the future prosperity of regional Australia.

The MIA urges the Committee not to lose sight of the value these temporary visa holders bring to the Australian economy and to addressing skills shortages in regional areas.

The MIA would be pleased to meet with the Committee to elaborate on any of the issues raised here and would be prepared to meet in any city during your hearings.

Yours faithfully

A handwritten signature in black ink that reads 'Maureen Horder'.

Ms Maureen Horder

Chief Executive officer

Migration Institute of Australia Limited

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