



EABC and European Chamber representatives meeting with the Federal Immigration Minister Chris Bowen in Sydney, 5 August 2011.

# Issues Paper

## Review of Australian Temporary Work Visas

*Survey of members of the European Australian Business Council (EABC) and of European Chambers of Commerce in Australia.*

*Meeting with Federal Immigration and Citizenship Minister Chris Bowen.*

**August 2011**



## Executive Summary

On 5 August, 2011, representatives from the European Australian Business Council (EABC) and European Chambers of Commerce met with The Hon Chris Bowen MP, Minister for Immigration and Citizenship to discuss Australia's short-term visa framework. In attendance were Minister Chris Bowen, Jason Collins (EABC), Franck Demoiseau (French-Australian Chamber of Commerce and Industry), Geoffrey Dunstan (Consulate of Luxembourg), Paul Koenig (German-Australian Chamber of Industry and Commerce), Silke Koernicke (Finland Australia Chamber of Commerce), John MacColl OAM (Union des Francais de l'Etranger) and Marcel Svatos (Swiss Australian Chamber of Commerce & Industry).

In response to a discussion paper released by the Department of Immigration and Citizenship in December 2010, the EABC undertook a survey of European Companies in Australia, to canvas their experiences and opinions of the visa framework for the review process. The results of this survey were presented to the Minister at the meeting and will be taken into consideration.

Of particular importance in the survey results, was that 30% of respondents stated they had missed out on business opportunities due to being unable to provide expert staff from overseas over short periods. This situation is likely to intensify, particularly in relation to the need to bring in expertise and teams to work on installations in infrastructure, resources and other hi-tech sectors.

It was agreed amongst the Chambers, that the main issue was that the current arrangements for short to medium stays are very unsatisfactory. The current 456 visas (allowing up to 3 months stay, but only 6 weeks cumulative work) are often not sufficient, which means the only other option is the expensive, time-consuming and inflexible 457 sponsored visa. There are many examples of companies needing to bring in technical teams for short (up to 6 month) projects, or perhaps only at the early stages of projects where the 457 is a definite deterrent.

The Minister mentioned that there are occasions of abuses of the 456 which was generally agreed with, but it was suggested there could be a mechanism whereby a company can 'sponsor' by undertaking and/or bond a longer period 456. The point was mentioned that abuses are unlikely to occur from well-established and credentialed European companies. The Minister was provided with a copy of the survey results, and advised that we would be prepared to undertake further consultation/study if required, and he has undertaken to respond to these concerns.

The Government was congratulated for the general decrease in processing times (now approximately 30% faster than 5 years ago) – and the Minister has announced a commitment to achieve an average 10 day turnaround time on 'decision-ready' (ie fully completed) 457 applications, and a new processing centre is in the process of being established in Brisbane to assist in meeting this.

## The Survey

### Introduction

Under Australian migration law, companies wishing to bring employees to Australia from overseas for short term work currently have a limited choice of applying for permission to work for up to 6 weeks under a sub-class 456 visa, or by making an application for a 4 year sponsored sub-class 457 visa.

In December 2010, the Department of Immigration and Citizenship released a discussion paper (*Simpler visas: implementing a simpler framework for temporary residence work visas*) seeking views on a proposed simplified visa framework for the temporary residence work visa group.

Although the deadline for official submissions to the consultation process has passed (4 February 2011), at a meeting of the EABC and European Chambers in April 2011 it was agreed to

undertake a survey of members on the issue. The purpose of the survey was to seek feedback on whether the current visa options meet the needs of European companies who require staff to be deployed to Australia on a temporary basis, and to seek feedback on the discussion paper.

## **EABC & European Chambers**

The European Australian Business Council (EABC) is a peak business organisation made up of institutional, corporate and individual members to promote the trade and investment relationship between Australia and Europe, and to promote regular dialogue and exchange between official and business representatives on economic and public policy issues affecting the relationship.

EABC members include major Australian and European enterprises, senior business and public policy figures, European Chambers of Commerce, Australian business associations, embassies, consulates and trade promotion agencies.

European Chambers of Commerce who participated in the survey include the Australian British Chamber of Commerce, the Finland Australia Chamber of Commerce, the French Australian Chamber of Commerce and Industry, the German Australian Chamber of Industry and Commerce, the Swedish Australian Chamber of Commerce and the Swiss Australian Chamber of Commerce.

## **Survey Content & Methodology**

The survey asked respondents to profile the size of their business, their position, and to answer five (5) brief questions relating to their (or the company's) experience of utilising the existing visa categories, procedures for application and approval, the length of visas typically required, and whether the current system created disincentives and/or disadvantages to conducting business in Australia.

The survey was distributed to EABC members and to the members of European Chambers of Commerce and was open to submissions from April to June 2011. Respondents were asked to submit either a written or online response, which could be done anonymously if preferred.

## **Profile of Responses**

A total of eighty (80) responses were received from individuals (sole traders), larger companies and from migration service providers who conducted their own surveys of clients/members. In some cases these service providers had already made submissions to the public consultation process.

The bulk of submitted surveys were completed by German, Swiss and UK companies. Companies surveyed (either individually or through consultation processes conducted by others) ranged from major corporations with over 5,000 employees, 50 or more employees, 15-50 employees, under 15 employees, and sole traders.

Exactly 50% of the responses were from companies with 50 or more employees, 18% with '15-50 employees', 31% with '15 employees and under' and 6% were 'sole traders'. A group submission covered a further 36 companies with a majority of responses (23) from companies with over 5,000 employees.

A broad cross-section of industries were represented in the responses, including financial services, business and professional services, automotive, construction, engineering, higher education, logistics, manufacturing and tourism.

## **Visa 456 & 457 Applications**

Across all respondents, a total of 84 employees had made use of the visa subclass 456 over the past two years, and a total of 827 under the sub-class 457 visa. The average duration of 457

visas sought was for 37 months.

These figures include the results of one large corporation which responded that they had sponsored over 500 employees on 457 visas over the past two years.

A majority (70%) of the respondents who provided an average timeframe for sponsored 457 visas stated the period most commonly applied for is four years.

Only 35% of respondents had an employee make use of the existing sub-class 456 visa.

### **Visa Duration & Business Requirements**

62% of respondents stated that their business typically needed the assistance of expert employees from overseas for periods anywhere between 6 weeks and 4 years, thus making the 457 visa subclass the only current option.

70% of respondents suggested a short-term visa for a period of at least 6 months would best suit their business, with 14% preferring at least 6 months, with the flexibility of being able to extend the visa to 12 or 24 months if required.

30% of respondents stated they had missed out on business opportunities due to being unable to provide expert staff from overseas over short periods.

Respondents were also asked to make comments about the visa application process and suggestions for improving the system.

## **Comments & Recommendations**

General comments are summarised as follows:

- the visa process needs to be simplified, more transparent and responsive to business requirements
- business developments require the flexibility to bring experts onshore at relatively short notice
- visa applications become 'bogged down' when multiple agencies are involved in the assessment process
- the existing 6 weeks option under visa subclass 456 is often insufficient, but the cost, complexity and process involved in a subclass 457 application is a disincentive, particularly for small to medium enterprises
- as the globalised economy continues to grow, this issue will intensify for internationally based companies seeking business opportunities in Australia
- solutions may be found in expediting the application process, and extending the duration of the maximum permissible work period under the existing 456 or 459 visa subclasses (rather than creating new subclass categories)

*For further information, please contact Marc Snape on +612 9238 6846 or [msnape@eabc.com.au](mailto:msnape@eabc.com.au)*