

27 October 2008

Committee Secretary
Senate Standing Committee on Legal and Constitutional Affairs
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

**Inquiry into the Migration Legislation Amendment (Worker Protection) Bill
2008**

The Australian Chamber of Commerce and Industry (ACCI) welcomes the Senate Legal and Constitutional Affairs Committee inquiry in to the Migration Legislation Amendment (Worker Protection) Bill 2008.

Earlier this year, ACCI wrote to the Minister for Immigration and Citizenship and made a submission to the Department of Immigration and Citizenship on the proposed changes to the Migration Act.

While ACCI appreciates that one of the key intentions of the proposed legislative amendments is to effectively “unlock” sponsorship obligations from the Act and place them instead in the Regulations, we are concerned about some of the possible changes, particularly to 457 visa sponsorship obligations, that may be possible if the Bill passes.

It is ACCI’s concern that a number of the measures proposed will have a detrimental effect on Australian business, especially on small to medium enterprise. These proposed changes include requiring employers to pay for sponsored employees’ income protection insurance, travel to Australia, removal costs, recruitment and migration agent costs, licensing and registration, certain medical costs or health insurance; and school-aged dependants’ public education costs.

We are concerned that the costs to employers of many of the proposed changes will be prohibitive for many businesses and will discourage use of the program by Australian employers experiencing genuine skilled labour shortages.

The proposed measures suggest that all sponsors will be penalised in reaction to the misconduct of a small percentage of sponsors who do not uphold their sponsorship obligations. The changes outlined in the discussion paper seem disproportionate to the actual scale of sponsorship problems. The Department’s own statistics show that in

2006-07, only 1.67 per cent of sponsors of temporary entrants were found to have breached their sponsorship obligations. In the absence of concrete and persuasive evidence that there is widespread abuse by sponsors of the 457 program, most of the proposed changes to sponsorship obligations seem neither fair nor justified.

Additionally, ACCI is strongly opposed to the retrospective application of any of the proposed changes to existing sponsors and visa holders. Not only is this grossly unfair to compliant sponsors who have sponsored 457 workers in good faith under the current obligations framework, but it will also represent a significant administrative burden on existing sponsors who may need to redraft and renegotiate contracts and revise many aspects of current business practice.

I have attached a copy for the Inquiry of ACCI's submission to the Department of Immigration and Citizenship in response to the proposed changes which details further ACCI's position on monitoring powers, non-compliance measures and information sharing, as well as sponsorship obligations. Our submission was developed in active dialogue with our membership who represent the businesses that will be affected by these changes.

Before any legislation is introduced, we request that the Regulatory Impact Statement of the legislation be made public so that there is clear understanding of the impact of the suggested changes.

Yours sincerely

Nathan Backhouse
Manager of Trade Policy and International Affairs