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Our ref: 10-0236-DRK

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Dear Senator

RE: Inquiry into the Migration Amendment (Visa Capping) Bill 2010

I refer to your email of 28 May 2010 to the Hon Paul Henderson MLA, Chief Minister of the Northern Territory, requesting a written submission on the inquiry into the Migration Amendment (Visa Capping) Bill 2010. I have been requested to respond directly in my capacity as Chief Executive of the Department of Business and Employment.

The Migration Amendment Visa Capping Bill 2010 provides the Minister for Immigration and Citizenship the ability to set the maximum number of visas to be granted in a particular class in a financial year and to select characteristics such as a specific occupation for capping. When the maximum capping number has been reached during a financial year, all undecided applications for that class of visa, with the specified characteristics, will be taken as having not been lodged.

The power that this bill vests with the Minister is of considerable concern to the Northern Territory as it has the potential to negatively impact on the ability to attract skilled overseas migrants to our jurisdiction.

The Northern Territory, in recent years, has grown the proportion of overseas migrants choosing to live and work in our jurisdiction. While the numbers remain small in comparison to migrant numbers to larger states, benefit has accrued to the skills base of the Territory.

The power to cap a particular class of visa for applications with specified characteristics and consider unprocessed applications not to have been made, gives no weight to:

- the intended state or territory destination of the migrant
- the skill needs of a specific state and territory
- the quality of the applicants whose applications are in the processing pipeline.

Further there are also negative consequences of the capping on applications from applicants in Australia either on bridging or temporary visas.

There are a number of international graduates currently employed in their skilled occupations in the Northern Territory. The effect of this Bill and a subsequent Ministerial decision to cap a class of visa for which they have applied would result in visa applicants either having to identify an alternative migration option or depart the country.

For those on bridging visas the alternative visa options are limited.

The significant concern is the potential impact on Northern Territory businesses and employers as there is potential for them to lose access to a number of workers within 28 days of the visa class cap being reached. With the considerable delay in the processing of General Skilled Migration visas many overseas graduates may have been working for Northern Territory business for months or years.

While it is acknowledged that steps are required to ensure migration is driven by the needs of Australian employers, these needs differ from state to state and territory to territory.

A further concern is the potential for the Minister to deploy the capping mechanism in this bill to specific subclasses outside the General Skilled Migration program subclasses eg the Business Skills program.

While the need for the tightening of the criteria for some of the Business Skills visa subclasses is acknowledged the Northern Territory believes this needs to be done in a structured manner. The application of a cap and as a consequence unprocessed applications being considered not to have been made is not an appropriate approach for Business Skills Scheme visa applications.

The Northern Territory asks that consideration be given to embedding safeguards into the proposed capping process to ensure that the potential for negative impact on regional economies is minimised.

Yours sincerely

GRAHAM SYMONS
Chief Executive

4 June 2010