



Australian Government

Department of Foreign Affairs and Trade

SUBMISSION TO THE SENATE LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE

**Inquiry into the Migration Amendment (Australia's Engagement in
the Pacific and Other Measures) Bill 2023, and the Migration (Visa
Pre-Application Process) Charge Bill 2023**

11 April 2023

1. Submission to the Senate Legal and Constitutional Affairs Committee

- 1.1 The Department of Foreign Affairs and Trade (DFAT) welcomes the opportunity to make a submission to the Senate Legal and Constitutional Affairs Committee inquiry into migration amendments which support Australia's engagement with Pacific island countries and Timor-Leste.

2. Key Points

- 2.1 The Pacific Engagement Visa is a new permanent resident visa program for citizens of eligible Pacific island countries and Timor-Leste enabling them to live, work and study in Australia. It is not a work visa.
- 2.2 It is in Australia's interests to strengthen long-term people-to-people connections with the Pacific and Timor-Leste and to build a healthy, vibrant and engaged diaspora with strong connections to their home countries.
- 2.3 Listening to Pacific and Timor-Leste voices is essential to the success of the Pacific Engagement Visa and is already informing the design of the program.
- 2.4 Consultations on the Pacific Engagement Visa have been welcomed by partner governments, and ensured it has been designed in a way that will meet shared needs and priorities. Eligible countries will decide whether they will participate.
- 2.5 Removing barriers for lower skilled applicants is a high priority. The ballot process provides fair and transparent access for applicants regardless of skill level, ensuring the program does not contribute to an exodus of skilled migrants.

3. Australia's Engagement with the Pacific

- 3.1 The Pacific Engagement Visa is part of a wider approach to deepening Australia's ties with the Pacific and to help build a stronger and more united Pacific family. The Government is drawing on a broad range of national assets, such as cultural ties, our labour market, and strong business and private sector engagement. Australia's engagement with the Pacific centres on showing respect and working transparently and openly with Pacific island countries on their priorities.
- 3.2 Australia's Pacific engagement is multi-faceted, including through development assistance, infrastructure, investments, security cooperation and bolstering the power of Pacific voices through regional and global mechanisms.
- 3.3 Australia is providing meaningful work opportunities that generate income and remittance flows and build skills to support the economic development of our region. The Pacific Australia Labour Mobility (PALM) scheme is being expanded and enhanced, with the highest number of workers currently in Australia (36,374 as at February 2023). The Pacific Engagement Visa will complement labour mobility pathways by providing a new, dedicated permanent residency visa for the Pacific family and Timor-Leste.
- 3.4 Deepening Australia's ties with the Pacific family is central to advancing Australia's interests and those of Pacific partners in a region that is our home and critical to our future. Australia is committed to working with Pacific island countries to achieve our shared interest in building a peaceful, prosperous and resilient region.

4. Pacific Engagement Visa: Strengthening Ties with the Pacific Family

- 4.1 The Pacific Engagement Visa is a new permanent resident visa which will grow the Pacific and Timor-Leste diaspora in Australia and strengthen Australia's ties with the region. Up to 3,000 visas, inclusive of partners and dependent children, will be available annually across participating countries, with the opportunity to apply for the visa determined via a ballot process.
- 4.2 A key objective of the program is to build a healthy, engaged Pacific diaspora in Australia, with strong connections to their home countries, strengthening people-to-people links and encouraging greater cultural, business, investment and educational exchange. Despite our proximity and special relationship with the Pacific family, less than a thousand permanent migrants from Pacific island countries and Timor-Leste made Australia their home in 2021-22, representing less than one percent of the permanent migration program. The Pacific Engagement Visa will help address this underrepresentation of Australia's closest neighbours in our permanent migration program and responds to longstanding requests across the Pacific family for expanded access to Australia.
- 4.3 The Pacific Engagement Visa will provide citizens of participating countries with the opportunity to live, work and study in Australia. As permanent residents, Pacific Engagement Visa holders will have the ability to move freely between Australia and their home countries, growing our cultural, economic, and educational connections. With access to Australian schools, vocational education and tertiary institutions, this initiative will result in more Pacific islanders participating in Australia's education system. The skills and education dividends are expected to flow through the Pacific and Timor-Leste as Pacific Engagement Visa holders live and work in Australia and their country of origin over their lifetime.
- 4.4 The Pacific Engagement Visa delivers on the Government's election commitment to boost permanent migration from Pacific countries. It has been modelled on New Zealand's longstanding and successful Pacific Access Category Resident Visa which operates an annual ballot. This approach also aligns with the recommendations of the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into Strengthening Australia's relationships in the Pacific. The Committee recommended in its March 2022 report that "the Australian Government consider creating a dedicated Pacific component within Australia's permanent migration intake, similar to the New Zealand model."
- 4.5 Importantly, the design of the Pacific Engagement Visa has been shaped by Pacific and Timor-Leste voices which will continue to play a critical role in informing implementation and operation of the program. All countries in-scope will have a choice as to whether they participate in the program and to what extent, enabling partner countries to participate in a way that meets shared needs and priorities.

5. Extensive consultations have informed the design of the program

- 5.1 The Government has consulted extensively on the design of the Pacific Engagement Visa, recognising the importance of the program delivering on the shared needs and priorities of Australia and the Pacific family. This has included ministerial level engagement, discussions at senior officials' meetings, dedicated visits to countries in scope, virtual meetings and engagement with stakeholders in Australia.
- 5.2 DFAT's role has included leading consultations with Pacific island countries and Timor-Leste to help shape the design of the Pacific Engagement Visa and ensure the program supports shared ambitions. Since August 2022, the Government has engaged with the Federated States of

Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu and Vanuatu.

- 5.3 In addition, the Government has engaged with New Zealand, France and the United States of America which offer existing migration pathways from the Pacific and/or have experience with similar ballot processes. A dedicated fact-finding mission to New Zealand was undertaken to learn about their experience operating similar programs for many decades.
- 5.4 The Prime Minister and Ministers for Foreign Affairs and International Development and the Pacific have discussed the Pacific Engagement Visa with counterparts and leaders during extensive engagements across the Pacific and Timor-Leste since coming to office. The new visa program has also featured in Senior Officials Talks with Pacific partners, and DFAT has had close engagement with stakeholders in Australia including with non-government organisations, expert researchers, Pacific Australia Labour Mobility (PALM) scheme employers and workers.
- 5.5 In general, the Pacific Engagement Visa has been well received across the region and in Australia, with many countries welcoming further opportunities for education, employment and skills exchange, and general mobility, while considering how to participate in a way that meets their own domestic needs. Stakeholders have recognised that the ballot process is a means to provide equal and transparent access, mitigating the risk of the program contributing to skills and labour shortages in participating countries.
- 5.6 During consultations partner countries emphasised the importance of removing barriers to participation for lower skilled applicants and providing accurate information about moving to and living in Australia, including the cost of living, to assist applicants make an informed decision about participating. New Zealand's experience highlighted the importance of supporting strong employment outcomes as a key driver of positive settlement experiences. This feedback has been invaluable and resulted in adjustments to the program's design, as outlined below.

6. The design has been adjusted to reduce barriers for low skilled applicants

- 6.1 Active engagement with Pacific partners and Timor-Leste has been critical to informing the design of the Pacific Engagement Visa program. Extensive consultations have led to improvements and enhancements to ensure the program meets shared aspirations. This has specifically led to adjustments to the program's design to reduce barriers to participation for low and semi-skilled applicants. These measures include setting a nominal ballot application fee, developing an offshore support service, providing broad access to education and social supports, and providing a new permanent residency pathway, separate to current labour mobility options.

6.1 Ballot

- 6.1.1 The ballot process is a key measure to ensure a fair and transparent process for applicants across the Pacific and Timor-Leste, particularly with demand expected to exceed the number of visas offered each year. The ballot process is also an important means of ensuring the Pacific Engagement Visa does not contribute to the loss of skilled migrants by providing equal access for participants regardless of skill level or gender, as well as applicants from rural and remote locations.
- 6.1.2 The ballot will involve an electronic random selection process, with successful entrants and their immediate family members then able to apply for a Pacific Engagement Visa. Ballot entrants must hold a passport, be a citizen of a participating country, meet age requirements (18-45) and complete an online registration form and pay a small fee. Following the ballot process, Pacific

Engagement Visa applicants will need to meet visa requirements such as English proficiency, health and character checks, prior to being granted a visa. The primary visa applicant, or their spouse/partner, will also need to provide evidence of a full-time job offer.

- 6.1.3 The Government has deliberately not included a minimum skill or education requirement as to do so would preference higher skilled applicants. Similarly, English language requirements will be set at a level that balances the need for Pacific Engagement Visa holders to be able to navigate employment and life in Australia, while ensuring this threshold does not preclude lower skilled applicants.
- 6.1.4 Consultations highlighted the importance of the ballot being accessible to applicants from a range of backgrounds. Therefore, the cost to enter the ballot is intended to be set at \$25 per entrant. This charge is substantially less than the first-time entrant charge for New Zealand's Pacific Access Category Resident visa, at NZD\$85 (approx. AUD\$79.5), but still significant enough for applicants to give serious consideration to their capacity to take up the visa. International Labour Organization data suggest an average family of four in Fiji and Papua New Guinea survives on \$13 a day, compared to the Australian average of \$155 per day.
- 6.1.5 The ballot process also ensures prospective visa applicants are not charged a non-refundable Visa Application Charge for a program expected to be oversubscribed with limited places available.

6.2 Offshore support

- 6.2.1 Consultations highlighted the importance of employment to positive settlement outcomes and the need to ensure visa applicants were assisted to make connections with Australian employers. While evidence of a job offer will not be required to enter the ballot, the primary visa applicant or their spouse/partner will need to secure full-time employment in Australia prior to their visa being granted. This is intended to ensure program participants have the best possible experience in transitioning to life in Australia.
- 6.2.2 To maximise the prospects of successful ballot entrants finding employment, DFAT is contracting an offshore service provider to deliver additional support. The service provider will work directly with successful ballot entrants to connect them with employers in Australia, with access to a variety of roles at a range of skill levels. This may include introductions with employers approved to participate in the PALM scheme, where appropriate. The service will be optional for Pacific Engagement Visa applicants but is expected to benefit those without family or diaspora connections in Australia and lower skilled applicants who may find it more difficult to navigate the Australian job market and make those connections independently.
- 6.2.3 The service provider will also help build awareness of, and manage expectations about the Pacific Engagement Visa, by sharing culturally appropriate information on the ballot process, visa requirements, settlement and life in Australia. These services have been shaped by feedback received during extensive consultations held across the Pacific and Timor-Leste.

6.3 Access to education and social supports

- 6.3.1 Access to education and training will broaden the scope of participation in the Pacific Engagement Visa program across a range of skill levels and experiences, ensuring Australia is contributing to an overall 'brain gain' and delivering a genuine skills dividend for the region. While Pacific Engagement Visa holders, as permanent residents, will have access to Australian public schools and Commonwealth supported tertiary places, the Government intends to extend access to benefits to support the cost of raising a family and ease the financial burden of education and training.

- 6.3.2 Subject to the introduction and passage of legislation, Pacific Engagement Visa holders will have immediate access to the Higher Education Loan Program, VET Student Loans, Austudy and Youth Allowance (students and apprentices), as well as access to Family Tax Benefit Part A. Access to study loans and allowances supports the Government's objective to ensure Pacific Engagement Visa holders have opportunities for education, career development and economic mobility, and recognises the special relationship Australia has with the Pacific family. These measures will play a crucial role in supporting positive settlement outcomes for Pacific Engagement Visa holders, and over time be a key driver for the program's participants making a valuable contribution both in Australia and their home countries.
- 6.3.3 There is no intention to waive the four-year Newly Arrived Resident's Waiting Period for access to the JobSeeker payment, so that participants are encouraged to engage in the workforce and connect with the Australian community. Pacific Engagement Visa holders will have access to the Settlement Engagement and Transition Support (SETS) Program which includes employment support services to help migrants reengage with the workforce, along with access to support payments while training or studying.
- 6.3.4 These benefits are in addition to the services and support available to permanent residents upon arrival in Australia, including access to Australia's universal health care and public schools.

6.4. A dedicated permanent migration program

- 6.4.1 The Pacific Engagement Visa has been welcomed as a dedicated permanent migration opportunity for independent Pacific island countries and Timor-Leste. The program can be distinguished from existing Pacific visa programs, such as the PALM scheme, as it is not specifically a labour program, rather it is a permanent resident visa which seeks to build a healthy and engaged Pacific and Timor-Leste diaspora in Australia. The PALM scheme will continue to meet workforce shortages in rural and regional Australia, support the economic development of Pacific countries and build skills for when workers return home.
- 6.4.2 While PALM scheme workers on valid temporary visas in Australia will be eligible to apply in the ballot, providing a pathway to permanent residency exclusively for PALM scheme workers would limit accessibility for a diverse range of applicants and weight permanent migration opportunities to countries with higher participation rates in the PALM scheme. This will not deliver on the objectives of the Pacific Engagement Visa program. For example, the population of Papua New Guinea is more than the rest of the Pacific and Timor-Leste combined. However, PALM scheme workers from Papua New Guinea (1,360 workers) represent less than four per cent of total PALM scheme participants (36,374 as at February 2023).
- 6.4.3 Visa allocations will be determined through consideration of a range of factors, including, but not limited to, population size, diaspora in Australia, existing migration opportunities, expected demand and partner country views. Country allocations may vary year-to-year in consultation with partner governments to ensure the program is responsive in delivering upon shared needs and priorities. The Pacific Engagement Visa will also have a broader scope with up to 13 countries eligible to participate, compared to the 10 currently participating in the PALM scheme, with the aim of developing a diverse and vibrant Pacific diaspora that enriches Australian communities.
- 6.4.4 Consultations with eligible countries also highlighted a diversity of views about permanent residency pathways for PALM scheme workers. In many cases the immediate skills dividend PALM scheme participating countries receive on the return of workers is highly valued. Any future consideration of dedicated pathways would require close and extensive engagement with Pacific countries.

7. Conclusion

- 7.1 Growing the Pacific and Timor-Leste diaspora in Australia will strengthen Australia's people-to-people links with the Pacific family and encourage greater movement of people between Australia and their home countries, facilitating cultural, business and educational exchange. The introduction of the Pacific Engagement Visa reflects Australia's special relationship with the Pacific family and highlights the importance Australia places on continuing to strengthen these relationships.
- 7.2 A key measure of success will be the growth of a vibrant and engaged diaspora in Australia with ongoing connections to their home countries. Pacific partners advised during consultations that Pacific islanders typically do maintain links to family and communities back home, with the likelihood of ongoing contributions to Pacific economies through remittances, investments and skills exchange. Australia is committed to working with Pacific governments on strategies to encourage Pacific Engagement Visa holders to maintain these connections, to ensure the benefits are fully realised for participating countries.
- 7.3 Listening to the Pacific has been, and will continue to be, central to the design, implementation and operation of the Pacific Engagement Visa. Countries will be able to participate in ways that meet their own domestic needs and priorities. Importantly, partner countries can opt-in or out of the program as these needs change, including requesting a lower visa allocation (or higher where excess visas are available) to ensure the program delivers on shared aspirations.
- 7.4 DFAT has undertaken to ensure that feedback from consultations is reflected in the design of the program. This includes ensuring a fair, transparent and equitable ballot process that reduces the barriers to participation for applicants from a range of skill levels. The introduction of measures to support the cost of raising a family and ease the financial burden of education and training, will also drive opportunities for economic mobility.
- 7.5 Boosting permanent migration is a key measure for strengthening Australia's relationship with the Pacific family and advancing our shared aspirations for the region.