

# CHAPTER 1

## Introduction

### Purpose of the Bill

1.1 On 21 June 2007 the Selection of Bills Committee referred the provisions of the Migration Amendment (Sponsorship Obligations) Bill 2007 (the Bill) to the Standing Committee on Legal and Constitutional Affairs, for inquiry and report by 30 July 2007.

1.2 The purpose of the Bill is to amend the *Migration Act 1958* to:

- impose more stringent legislative obligations on employers sponsoring workers on 457 visas;
- provide the Department of Immigration and Citizenship (DIAC) with greater investigative powers; and
- attach civil penalties for breaches of employer obligations.

### Background

1.3 The subclass 457 visa is a temporary business entry visa that enables employers in industries affected by domestic skills shortages to sponsor skilled overseas workers. It is only available to employers seeking to sponsor overseas workers with recognised skills in designated professions. Workers entering Australia under a 457 visa are entitled to bring family members, known as secondary visa holders.<sup>1</sup>

1.4 In 2005-06, 71,749 subclass 457 visas were granted, while for the first three quarters of 2006-07 a further 64,459 were granted. At 31 March 2007 the total number of 457 visa holders was 101,608, compared with 79,707 at the corresponding period in 2006.<sup>2</sup>

1.5 The Bill has been introduced following COAG's referral of the issue of the integrity and effectiveness of 457 arrangements to the Ministerial Council on Immigration and Multicultural Affairs. A COAG communiqué dated 14 July 2006 stated:

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1 Phillips, J. *Research Note no. 15 2006-07*, 'Temporary (long stay) business visas: subclass 457', 21 February 2007.

2 Department of Immigration and Citizenship, *Committee Hansard*, 21 May 2007, pp. 51-52. These figures include primary and secondary visa holders.

COAG has asked the Ministerial Council on Immigration and Multicultural Affairs (MCIMA) to identify and implement cooperative measures to ensure the effectiveness, fairness and integrity of the temporary skilled migration arrangements, including appropriate and consistent minimum standards. COAG has also requested that MCIMA provide a progress report on these measures to COAG in December 2006.<sup>3</sup>

1.6 The Bill attempts to ensure the integrity of the 457 visa system by attaching more stringent obligations to the use of 457 visas and increasing the penalties for abusing the system. The Minister for Immigration and Citizenship, the Hon. Kevin Andrews, told the parliament:

...there is a small minority of employers who have sought to abuse the programme. While abuse is not widespread, it can undermine the integrity of the overall migration programme and confidence in the programme as a factor in maintaining our national prosperity into the future. Employers must recognise that access to skilled temporary overseas workers is a privilege, not a right, and if they abuse this privilege, then they will face strong penalties.<sup>4</sup>

### **Conduct of the inquiry**

1.7 The committee advertised the inquiry in *The Australian* newspaper on 27 June and 11 July 2007. Details of the inquiry, the Bill and associated documents were placed on the committee's website. The committee also wrote to 30 organisations and individuals.

1.8 The committee received seven submissions, which are listed at Appendix 1. The committee did not hold a public hearing for this inquiry but clarified a number of issues with DIAC through written questions.

### **Acknowledgement**

1.9 The committee thanks those organisations and individuals who made submissions.

### **Note on references**

1.10 References in this report are to individual submissions as received by the committee, not to a bound volume.

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3 Commonwealth submission to the Joint Standing Committee on Migration inquiry into Eligibility requirements and monitoring, enforcement and reporting arrangements for temporary business visas, February 2007, Attachment A.

4 The Hon. Kevin Andrews, Minister for Immigration and Citizenship, Second Reading Speech, *House of Representatives Hansard*, 21 June 2007.