
The Parliament of the Commonwealth of Australia

Advisory report:

Migration (Visa Evidence) Charge Bill 2012
and Migration (Visa Evidence) Charge
(Consequential Amendments) Bill 2012

Joint Standing Committee on Migration

June 2012
Canberra

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Terms of reference

On 10 May 2012, the House of Representatives adopted the report by the House of Representatives Selection Committee entitled *Report No. 51: Private Members' Business and Referral of Bills to Committee*.

In that report, the Selection Committee determined that the Migration (Visa Evidence) Charge Bill 2012 and Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 be referred to the Joint Standing Committee on Migration for inquiry and report.



List of recommendations

Commentary on the bills

Recommendation 1

That the Department of Immigration and Citizenship amend the explanatory memoranda for the Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 to more clearly explain the policy rationale and costing methodology underpinning the measures contained in those bills.

Recommendation 2

That the Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 be passed without amendment.

Referral of the bills

Introduction

- 1.1 The Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 (collectively, the Visa Evidence Charge Bills) were introduced into the Australian Parliament's House of Representatives on 9 May 2012.
- 1.1 The Visa Evidence Charge Bills amend the *Migration Act 1958* to introduce a charge for requests for evidence of a visa issued as validation of a non citizen's immigration status and entitlements in Australia:
- The Migration (Visa Evidence) Charge Bill 2012 introduces a charge, with a maximum limit of \$250, for requests for visa evidence and a method for indexation of that charge;¹ and
 - The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 provides for regulations to implement and calculate charges for different forms of visa evidence and visa classes.²
- 1.2 The new charge is intended to encourage visa holders to use the Department's online visa entitlement verification system, VEVO for visa

1 Migration (Visa Evidence) Charge Bill 2012, A Bill for an Act to Impose a Charge in Relation to Requests for Evidence of Visas, with Explanatory Memorandum.

2 The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012, A Bill for an Act to make amendments relating to the enactment of the Migration (Visa Evidence) Charge Act 2012, and for related purposes, with Explanatory Memorandum.

validation. The measure will also support immigration processing during the transition to label free travel, based on electronic verification.³

- 1.3 Currently visa evidence is provided without a fee, which imposes an administrative and cost burden on the Department of Immigration and Citizenship.⁴

Selection Committee consideration

- 1.4 Under Standing Order 222, the House of Representatives' Selection Committee may refer bills it considers controversial or as requiring further consultation or debate to the relevant standing or joint committee.⁵
- 1.5 On 10 May 2012, the Committee referred the Visa Evidence Charge Bills to the Joint Standing Committee on Migration for inquiry and report.
- 1.6 According to the Selection Committee report, the principal reason for the referral was inadequate explanation of the scope, rationale and costing methodologies for the charge in the explanatory memoranda associated with the legislation.⁶ In particular, the Selection Committee required:
- clear indication of the number and type of visa subclasses to be affected by the measure; and
 - further explanation of the maximum charge limit of \$250 and the \$90 million three year revenue projection cited in the Financial Impact Statements for the bills.⁷
- 1.7 The Selection Committee was also concerned that the charge could act as barrier to participation should visa evidence be required, for example, for a child's schooling.⁸

3 Explanatory memoranda, Migration Visa Evidence Charge Bills, p. 1.

4 Minister for Immigration and Citizenship, Mr Chris Bowen MP, Second Reading Speech, *House Hansard*, 9 May 2012, p. 5.

5 House of Representatives Standing Orders 222 (a) iii.

6 House of Representatives, *Selection Committee Report No. 51*, Private Member's Business and Referral of Bills to Committee, 10 May 2012, p. 3.

7 Explanatory memoranda, Migration (Visa Evidence) Charge Bill 2012 and The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 (Migration Visa Evidence Charge Bills), pp. 1 and 2 respectively.

8 House of Representatives, *Selection Committee Report No. 51*, Private Member's Business and Referral of Bills to Committee, 10 May 2012, p. 3.

Conduct of the inquiry

- 1.8 The Committee determined that its review of the bills could be best and most expediently conducted by issuing written questions to the Department of Immigration and Citizenship.
- 1.9 Thirteen questions were drafted by the Committee and forwarded to the Department on 28 May 2012. Written answers were received on 4 June 2012.
- 1.10 The questions submitted to the Department are at Appendix A.

Purpose and content of the bills

Overview of the bills

- 2.1 The Migration (Visa Evidence) Charge Bill 2012 and Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 (hereafter, the Visa Evidence Charge Bills) will amend the *Migration Act 1958* (the Migration Act) to:
- impose a visa evidence charge to be payable for visa evidence requests by amendment of Migration Act Section 71; and
 - insert regulation making powers (Migration Regulations 1994) for the calculation of specific charges and their implementation.
- 2.2 The measures are to commence simultaneously on a day fixed by Proclamation after the Acts have received Royal Assent, or six months after that date.¹

Purpose of the bills

- 2.3 The Visa Evidence Charge Bills are introduced to address inconsistencies between the processes enabled by online visa validation and the Migration

¹ Migration (Visa Evidence) Charge Bill 2012, Migration and (Visa Evidence) Charge (Consequential Amendments) Bill 2012, Section 2.

Act, which currently requires the Department of Immigration and Citizenship (DIAC) to supply hard copy visa evidence on the request of a visa holder.

- 2.4 Australia has a free electronic visa processing and validation service, known as Visa Entitlement Verification Online or VEVO, under which a visa holder and registered organisations, such as schools, employers and service providers, may verify an individual's visa status.²
- 2.5 However, section 70 of the Migration Act presently requires that:
- Subject to the regulations, if a non-citizen is granted a visa, an officer is to give the non-citizen evidence of the visa.
- 2.6 In his second reading speech for the Migration (Visa Evidence) Charge Bill 2012, the Minister for Immigration and Citizenship Mr Chris Bowen MP advised that one third of visa holders request hardcopy evidence of their visa. During 2011 this amounted to 1. 365 million requests, 455 000 onshore and 910 000 offshore.³
- 2.7 Further, the processing of these visa evidence requests is the highest volume service conducted at immigration counters both in Australia and overseas.⁴ The request may be made at the time of the visa being issued or later, and the visa evidence is issued without cost to the visa holder.⁵
- 2.8 The Minister stated that the visa evidence charge is intended to discourage reliance on visa labels by immigration clients and foreign officials, and to promote the use of online visa validation under VEVO.⁶
- 2.9 The measures also advance the shift to a user pays model for visa services, under Visa Pricing Transformation. They are part of DIAC's broader five-year Transformation Program which prioritises automation of immigration services to increase global competitiveness.⁷

2 Department of Immigration and Citizenship (DIAC), 'About Your Visa', accessed 25 May 2012 at <www.immi.gov.au/visas/about-your-visa.htm>

3 Minister for Immigration and Citizenship, Mr Chris Bowen MP, Second Reading Speech, *House Hansard*, 9 May 2012, p. 4.

4 DIAC, Answers to Questions on Notice, Question 1 (d).

5 DIAC, Answers to Questions on Notice, Question 1 (d).

6 Minister for Immigration and Citizenship, Mr Chris Bowen MP, Second Reading Speech, *House Hansard*, 9 May 2012, p. 4, and see explanatory memoranda for the bills.

7 DIAC Transformation Program, accessed 2 June 2012 at <www.immi.gov.au/about/department/perf-progress/transformation/>

The Migration (Visa Evidence) Charge Bill 2012

- 2.10 The Migration (Visa Evidence) Charge Bill 2012 provides for the imposition of a charge for requests for evidence of a visa, and for indexation of that charge as follows:
- Clauses 3 and 4 provide that visa evidence is payable in relation to a request made inside or outside Australia (extra-territorial operation);
 - Clause 5 provides basic definitions for the Act;
 - Clause 6 provides that a visa evidence charge is payable under s.71 of the Migration Act, as amended by the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 (detailed below); and
 - Clause 7 sets a maximum charge limit of \$250 for a visa evidence request and a mechanism for annual indexation of the visa evidence charge limit, to be based on the Consumer Price Index, after 30 June 2013.

The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012

- 2.11 The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 amends the Migration Act to implement the visa evidence charge. The legislation will also enable calculation of different charges for different classes of visa and for nil charges.
- 2.12 The Bill repeals current provisions and introduces two new sections, s.70 and s.71, under Subdivision AE of Part 2 of the Migration Act.
- 2.13 Migration Act s.70 currently provides that a migration officer is to give a non-citizen evidence of a visa on request. The new section will specify:
- that a non-citizen who holds a visa, or certain other persons (such as a parent or guardian), may request evidence of a visa (s.70(1));
 - that the request must be made in a prescribed way, lodged in the prescribed place and be accompanied by the charge payable (s. 70(2)); and
 - that the request may be withdrawn before the evidence is provided (s.70 (3)).

2.14 Section 71 currently provides that evidence of a visa is to be given in the prescribed way, depending on circumstances. The new section provides:

- that a person who makes a request for evidence of a visa under s.70 is liable to pay a visa evidence charge (s.71(1));
- that the amount charged should not exceed the visa charge limit (s.71(2));
- that regulations be made enabling different charges for different circumstances and visas, for nil charges and for calculation of charges (s.71(3)).

2.15 Specifically, articles (a) to (f) of s.71(3) indicate that the regulations may apply different charges, singly or in combination, to:

- (a) specify a different amount of visa evidence charge for different prescribed forms of evidence of a visa;
- (b) specify a different amount of visa evidence charge in relation to different classes of visas;
- (c) specify a different amount of visa evidence charge for different methods of payment of the charge;
- (d) specify a different amount of visa evidence charge where the person elects to have the request dealt with expeditiously;
- (e) specify a different amount of visa evidence charge for requests made in different circumstances;
- (f) specify circumstances in which the amount of the visa evidence charge is nil...

2.16 New subsections 71A and 71B respectively provide that:

- visa evidence should be issued in a timely manner on request (providing the request is not withdrawn nor the visa out of date); and
- that regulations may be made to address the particular circumstances of a request, the methods of payment and for payments to be made on behalf of the Commonwealth and for remissions, refunds or waivers, and exemptions from the payment.

2.17 Section 71B(2) further prescribes that regulations may set the form of the evidence to be given, and that the Minister be able to reject a specific passport or travel document for the purposes of the legislation.

Commentary on the bills

Introduction

- 3.1 The Committee's review secured responses to thirteen questions from the Department of Immigration and Citizenship (DIAC) covering the scope, operation and cost models associated with imposition of the charge for visa evidence.
- 3.2 Information was also requested on the Department's Visa Entitlement Verification Online service, VEVO, and the transition to label free visa travel. These developments are cited in the explanatory memoranda to the bills as a primary motivation for the charge, in addition to cost recovery.

Rationale for the charge

- 3.3 The Visa Evidence Charge Bills are being introduced to discourage non-citizens' requests for hard copy visa validation and, instead, to utilise DIAC's online visa entitlement verification service VEVO.
- 3.4 The Committee held concerns about the impact of this charge on visa holders, and sought information about the circumstances in which a visa holder might request hard copy visa evidence and the current access of VEVO for visa verification.

- 3.5 The Committee also sought advice on consultation undertaken by the Department to assess negative impacts on particular sectors, within the context of the transition to visa label free travel.

Visa evidence request rates

- 3.6 As discussed in the previous chapter, section 70 of the Migration currently provides that a visa holder may request evidence of their visa and that a migration officer will honour that request.
- 3.7 This hard copy visa evidence is mostly provided in the form of a visa label affixed to the visa holder's passport or travel document.¹
- 3.8 DIAC advised that electronic visa applicants do not usually request hard copy evidence of their visa, but 90 per cent of all clients issued a visa over the counter in Australia do so. In 2011 this accounted for 455 000 onshore visa evidence requests. Overseas, 910 000 requests for visa evidence were made at immigration counters.²
- 3.9 In addition to the requests made at the time of issuing a visa, visa labels may also be requested at a later time.³ Resident non-citizens may make these requests for a range reasons such as the perceived need for evidence for work entitlements, Medicare or Centrelink benefits, for proof to third parties or foreign embassies of the right to return to Australia, or simply as a souvenir.⁴
- 3.10 Additionally, offshore visa applicants may require hardcopy visa evidence to comply with local laws to exit or transit to another country. In these circumstances a migration officer may make the request on their behalf or if there are special requirements, such as for processing humanitarian visas.⁵
- 3.11 The Department noted that while the number of visa requests seems high, requests for hard copy evidence account for only one third of the total visa caseload. The remaining two thirds of the visa caseload are processed without a hardcopy visa label electronically.⁶

1 Department of Immigration and Citizenship (DIAC), Answers to Questions on Notice, Question 1 (d).

2 DIAC, Answers to Questions on Notice, Questions 4 and 5.

3 DIAC, Answers to Questions on Notice, Question 1 (d).

4 DIAC, Answers to Questions on Notice, Question 4.

5 DIAC, Answers to Questions on Notice, Question 1 (d).

6 DIAC, Answers to Questions on Notice, Question 7.

Visa validation using VEVO

- 3.12 The VEVO service was introduced in 2004 for the electronic verification of the visa status and entitlements of a visa holder. In 2005 Australia ceased issuing or requiring visa labels for nearly all visa subclasses.⁷
- 3.13 The Department advised that VEVO is a 24 hour free online service providing complete visa records to all visa holders and registered Australian organisations with a legitimate need for information on visa status.⁸
- 3.14 As at 30 April 2012, there were 33 445 organisations registered with VEVO, including employers, labour suppliers, education institutions, licensing authorities, Medicare Australia and Centrelink staff, financial institutions, peak bodies and other government agencies.⁹
- 3.15 The following table provides checking rates for individuals and registered organisations over the last two years.

Table 1 Checks undertaken using VEVO, 2010-2011 and 2011-12 (to end April)¹⁰

VEVO access	2010-11	2011-12 (to end April)
Visa holders	1.52m	1.48m
Registered organisations	1.47m	1.40m

- 3.16 Over 2012 to 2013, the Department plans to promote the uptake of VEVO by:
- providing registered migration agents with more complete details of a visa holder's current visa status
 - enabling all visa holders to access VEVO using their visa grant number or visa evidence number without having to contact the department to get a password
 - self-service account management and password reset processes for organisations
 - [providing] a PDF print option for visa holders required to provide evidence of their visa status to third parties (for example, real-estate agents, mobile phone providers, etc)

7 DIAC, Answers to Questions on Notice, Question 1 (d).

8 DIAC, Answers to Questions on Notice, Question 2.

9 DIAC, Answers to Questions on Notice, Question 2.

10 From DIAC, Answers to Questions on Notice, Question 2.

- enable[ing] organisations and visa holders to access VEVO using mobile devices such as smart phones, tablets, and other portable devices.¹¹

3.17 The Department further advised that while overseas organisations do not have access to VEVO, DIAC is working with other countries to clarify Australia's visa requirements and to improve the uptake of the label free caseload.¹²

Visa Pricing Transformation

3.18 The visa evidence charge is one component of DIAC's shift to a user pays model under the Visa Pricing Transformation program.

3.19 Evidence from DIAC clarified the relationship between the charge as a cost recovery mechanism and its role in promoting the Department's broader transformation objectives, including the shift to label free visas:

The department's broader transformation agenda is designed to improve efficiency, integrity and client service. This includes driving efficiencies in the service delivery costs by moving paper application lodgement, non-electronic payments and general enquiries to the online environment and extending the role of Service Delivery Partners both onshore and offshore.¹³

3.20 As previously noted, overseas organisations do not have access to VEVO. However, the Service Delivery Partners, referred to directly above, have been established overseas to assist in the visa application process and to collect charges.

3.21 The Department states that the pricing model introduced under Visa Pricing Transformation is consistent with international benchmarks for visa and associated services, and will promote the shift to label free travel.¹⁴

3.22 While other mechanisms, such as limiting counter hours for issuing visa evidence, have not been effective in motivating a shift online,¹⁵ DIAC considers the pricing mechanism may be expected to:

11 DIAC, Answers to Questions on Notice, Question 2.

12 DIAC, Answers to Questions on Notice, Questions 5 and 7.

13 DIAC, Answers to Questions on Notice, Question 3.

14 DIAC, Answers to Questions on Notice, Question 3.

15 Limiting counter hours for visa evidencing between 9am and 11am, and ceasing hard copy services to migration agents. DIAC, Answers to Questions on Notice, Question 6.

- support the shift to the free online service;
- deliver a more streamlined processing for low risk clients, while maintaining effective border security for high risk clients;
- reduce the number of clients at counters and staff involved in evidencing services; and
- reduce costs for label printing, distribution and storage.¹⁶

Impact on specific visa subclasses and sectors

- 3.23 The Committee sought to establish whether any particular sectors or classes of visa holders might be disproportionately affected by the introduction of the visa charge.
- 3.24 Of particular concern to the Committee were potential impacts on visa holders requiring visa evidence to attend educational institutions, or for example, to support a child's entry to a school once in Australia.
- 3.25 The Department advised that overseas applicants in the education sector usually apply for their visas electronically and travel to Australia label free.¹⁷ In Australia, visa holders and Australian registered institutions can gain complete visa evidence immediately by logging into VEVO.¹⁸
- 3.26 According to DIAC, consultations with stakeholders in the education, tourism and employment sectors yielded no major concerns about the introduction of the charge. The impact of the charge was considered to be minimal and would not act as a disincentive to visa demand in these sectors.¹⁹
- 3.27 As previously mentioned, offshore requests for hard copy evidence are often made to meet the exit and transit requirements of foreign governments or for validation of identity for certain visas, such as humanitarian visas.
- 3.28 The Committee notes that the Statement of Compatibility with Human Rights for the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 acknowledges that the charge:

16 DIAC, Answers to Questions on Notice, Question 3.

17 DIAC, Answers to Questions on Notice, Question 7.

18 DIAC, Answers to Questions on Notice, Question 5.

19 DIAC, Answers to Questions on Notice, Question 8.

...may have some differential impact on citizens of certain countries who are required to show evidence of a visa to meet their own country's exit or transit requirements.²⁰

- 3.29 In evidence, the Department gave reassurances that a growing number of countries are now allowing nationals to exit or transit their country without a visa label. DIAC is also actively promoting the message that Australia does not require a person to have a visa label in their passport to travel to, enter or remain in Australia.²¹
- 3.30 As discussed in the section on fee differentiation below, it is proposed that the charge be waived for humanitarian entrants, among other specified groups.²²

Costs and revenue

- 3.31 The Committee had concerns about the lack of detailed information in the bills and their explanatory memoranda on the actual charges imposed by the legislation and the revenue projections arising from them.
- 3.32 In particular:
- The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 and memorandum indicated that different charges would be applied to different classes of visa or requests, without indication of range of charges, nor which visas would be exempt;²³
 - the Migration (Visa Evidence) Charge Bill 2012 provides for a maximum charge limit of \$250 to be imposed for a visa label, which the Selection Committee had considered unfeasibly high;²⁴ and
 - the Financial Impact Statements for the bills cite projected revenue of \$90 million to be generated over three years by the charge, which required explanation.²⁵

20 Attachment A. The Statement concludes that under Article 26 of the International Covenant of Human Rights (ICCPR) Australia cannot be held to be discriminatory because of the effect of another country's laws regarding migration.

21 DIAC, Answers to Questions on Notice, Question 1 (d).

22 DIAC, Answers to Questions on Notice, Question 13.

23 The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012, Section 71; Explanatory Memoranda, p. 1.

24 House of Representatives, *Selection Committee Report No. 51*, Private Member's Business and Referral of Bills to Committee, 10 May 2012, p. 3.

Different charges for different visas

- 3.33 The proposed new section 71(1)(3) of the Migration Act, contained in the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012, provides for regulations to be made enabling different charges for different visas and circumstances, for nil charges and for calculation of these charges.
- 3.34 The Migration (Visa Evidence) Charge Bill 2012, meanwhile, imposes a maximum charge limit of \$250 for the provision of hard copy visa evidence.²⁶
- 3.35 The Department's advice to the Committee revealed that the \$250 limit and the highly differentiated fee structure are in place as a framework for the upward adjustment of a \$70 charge, proposed as the flat fee for visa evidence:

It is proposed that the Migration Regulations will be amended to initially set the VEC at \$70 for the provision of evidence in the form of labels. The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 provides that the Migration Regulations will be able to set different charges for different circumstances and classes of visa, and for a method of calculation to be developed to allow this. This has been included to give flexibility to increase the \$70 in some circumstances if it does not succeed in reducing reliance on visa labels. These provisions also enable the charge to be set at a higher rate, if required, to process a label quickly outside of normal processing times.²⁷

- 3.36 The Department also advised of proposals for a nil charge for humanitarian entrants and those in emergency, diplomatic and bilateral interest or compelling circumstances.²⁸ Further, any exemption from the label fee would only apply for one visa request, and the flat fee of \$70 would not be reduced or increased, although the legislation provides for this.²⁹

25 Explanatory Memoranda, Migration (Visa Evidence) Charge Bill 2012 and The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 (Migration Visa Evidence Charge Bills), pp. 1 and 2 respectively.

26 At Subclause 7(1).

27 DIAC, Answers to Questions on Notice, Questions 11 and 12.

28 DIAC, Answers to Questions on Notice, Question 13.

29 DIAC, Answers to Questions on Notice, Question 13.

- 3.37 This information was provided to the Committee with the caveat that the actual charges will not be finalised until the regulations are made by the Governor-General at the Federal Executive Council.

Maximum cost limit

- 3.38 Hardcopy visa evidence is usually provided as a label or imprint in a visa holder's passport. The Committee agreed with the Selection Committee that the maximum charge limit for visa evidence seems high, and asked how the \$250 charge limit had been determined.

- 3.39 The Department responded:

The current Visa Application Charge cap is around four times the price of the average migration fee, and this was used as a guide when setting the limit for the VEC, with \$250 being just over four times the then proposed VEC of \$60. It was not proposed to the Government that the VEC cap be charged – it is a cap on price to prevent arbitrary taxation, not a price itself.³⁰

- 3.40 As cited in the section above, the Department now proposes that the actual visa evidence charge should be \$70. Further to that, the Department advised that the upper charge limit provides flexibility to increase the \$70 flat charge if it does not succeed in reducing reliance on visa labels.

- 3.41 The upper limit also enables the charge to be set at a higher rate, if required, to process a label quickly outside of normal processing times.

Revenue projections

- 3.42 The Financial Impact Statements for these bills state that their financial impact will be high, with revenue in the order of \$90 million to be generated over three years.³¹ The Committee asked for an explanation of the economic modelling used to arrive at this forecast.

- 3.43 The Department explained how, by taking historical and future demand forecasts into account, the upper label demand limit for the revenue projections was established at 900 000 over 2012–13, dropping to 450 000

30 DIAC, Answers to Questions on Notice, Question 10.

31 Explanatory Memoranda, Migration (Visa Evidence) Charge Bill 2012 and The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 (Migration Visa Evidence Charge Bills) pp. 1 and 2 respectively.

in 2015–16. Label usage in 2011 was 1.365 million labels, reflecting a declining trend.³²

- 3.44 Accordingly, DIAC predicted that the demand will further decline if governments continue to embrace label-free travel and individuals increasingly use e-lodgement and electronic evidence. To reflect this anticipated decline in visa requests in revenue forecasting:

... an initial decline of 40 per cent was modelled, increasing to a 55 per cent drop over four years. This would see revenue from around 530 000 applicants in 2012-13, dropping to just over 400 000 in 2015-16. Modelling did not change the demand curve when the price for visa evidence was increased in the Budget from \$60 to \$70.³³

- 3.45 The Committee accepts the Department's view that, should the visa evidence charge fail to reduce the number of requests for visa labels and foreign governments not accept label free travel, revenue gains would be sustained, with demand trending towards the upper limits. Other factors including budgeted fluctuations in student and visitor numbers would also determine the actual revenue flow.³⁴

Conclusion

- 3.46 The Committee was satisfied overall with the Department's advice on the rationale and costings supporting the introduction of a visa evidence charge.
- 3.47 However, the Committee agrees with the Selection Committee that the explanatory memoranda accompanying the Visa Evidence Charge Bills do not provide adequate information for the assessment of the content and policy impact of these bills.
- 3.48 While the final implementation measures will be dependent on the regulations made at Executive Council, the Committee considers that a working explanation of the charge structures and the role of the maximum charge to allow for adjustments, including to ensure the shift to online visa validation, may have assisted the Selection Committee in its deliberations on the bills.

32 DIAC, Answers to Questions on Notice, Question 13.

33 DIAC, Answers to Questions on Notice, Question 13.

34 DIAC, Answers to Questions on Notice, Question 13.

- 3.49 The Committee considers that explanatory memoranda should provide adequate detail for scrutiny, especially when the measures proposed may significantly affect visa holders in Australia and overseas.
- 3.50 The Committee therefore recommends that the explanatory material accompanying the Visa Evidence Charge Bills be amended.

Recommendation 1

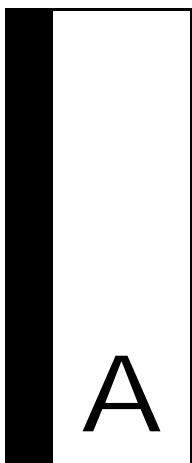
That the Department of Immigration and Citizenship amend the explanatory memoranda for the Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 to more clearly explain the policy rationale and costing methodology underpinning the measures contained in those bills.

- 3.51 While not the focus of this advisory report, the Committee wishes to express its support for the transition to label free travel. The shift to electronic visa processing, for applications and visa evidence, will potentially benefit all migration clients, onshore and offshore.
- 3.52 The onus on the Department, however, is to remain responsive to the needs of those client groups who are vulnerable under the transition, such as refugees and students, and those visa holders in countries that require visa evidence for exit and transit.
- 3.53 In this regard, the Committee encourages DIAC to provide information in its annual reports on the progress to label free visas in countries currently requiring visa labels for exit and transit, and any impacts on students, onshore and offshore, and refugees.

Recommendation 2

That the Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 be passed without amendment.

**Ms Maria Vamvakinou MP
Committee Chair**



Appendix A: Written Questions to the Department of Immigration and Citizenship

General

Question 1:

The Migration (Visa Evidence) Charge Bill 2012 imposes a visa evidence charge. What is the current process for the issuing of hardcopy visa evidence and what is the nature of the evidence provided on request?

Question 2:

Visa labels are not required by Australia. Instead the Department has an online visa validation service, Visa Entitlement Verification Online (VEVO). Please describe the system, its functions and the current rate of access by visa holders and third parties.

Question 3:

The bills are introduced as part of the transfer to a user pays model. Please provide more information about the objectives of Visa Pricing Transformation in the context of DIAC's broader Transformation Program, and the shift to label free travel mentioned in the Explanatory Memoranda.

Visa evidence requests

Question 4:

The Minister for Immigration and Citizenship Mr Chris Bowen MP has noted that, during 2011, 1.3 million visa labels were requested, 455 000 being made onshore (Second Reading Speech, *House Hansard*, 9 May 2012). Given Australia has VEVO and that hard copy visa evidence is not required by law, why are the number of onshore requests for visa labels so high?

Question 5:

Over 900 000 requests were made offshore. What types of institutions or organisations in Australia and overseas might request require hard copy visa evidence and for what purpose? Would schools or educational institutions require such evidence?

Question 6:

The Minister also noted in his second reading speech that business process based initiatives have not been successful in encouraging more clients to use the online visa validation system. Please detail the measures tried and the target audiences.

Question 7:

Has the Department conducted an impact assessment in Australia and overseas to identify and address potential barriers to participation for particular sectors, such as education, under the shift to online visa validation?

Question 8:

What consultation with external stakeholders was conducted in the course of preparing these bills? What concerns were raised and how were these addressed in the legislation?

Costs and revenue projections

Question 9:

The Explanatory Memoranda for these bills state that their financial impact will be high, with revenue in the order of \$90 million to be generated over three years. Please explain the economic modelling used to arrive at this revenue forecast. Is cost recovery a major driver for introduction of the new charge?

Question 10:

The Migration (Visa Evidence) Charge Bill 2012 provides for a maximum charge of \$250 for a visa label. What factors were taken into account when determining this upper limit and how was it calculated?

Question 11:

The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 provides for regulations to set different charges for different circumstances and classes of visa, and for a method of calculation to be developed for this. Please describe the calculation method and/or the costing methodology for the different charges.

Question 12:

Can the Department provide an indication of the range of charges for different categories of visas: for example, for skilled long and short stay visas?

Question 13:

Which classes of visa will be exempted and which will attract nil fees? Under what circumstances may particular fees be reduced?