



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL
AFFAIRS

ESTIMATES

(Budget Estimates)

WEDNESDAY, 28 MAY 2008

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**SENATE STANDING COMMITTEE ON
LEGAL AND CONSTITUTIONAL AFFAIRS
Wednesday, 28 May 2008**

Members: Senator Crossin (*Chair*), Senator Barnett (*Deputy Chair*), Senators Bartlett, Fisher, Hurley, Kirk, Marshall and Trood

Participating members: Senators Abetz, Adams, Allison, Bernardi, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, George Campbell, Chapman, Colbeck, Jacinta Collins, Coonan, Cormann, Eggleston, Ellison, Fielding, Fierravanti-Wells, Fifield, Forshaw, Heffernan, Hogg, Humphries, Hurley, Hutchins, Johnston, Joyce, Kemp, Lightfoot, Lundy, Ian Macdonald, Sandy Macdonald, McEwen, McGauran, Mason, Milne, Minchin, Moore, Murray, Nash, Nettle, O'Brien, Parry, Patterson, Payne, Polley, Ronaldson, Scullion, Siewert, Stephens, Sterle, Stott Despoja, Troeth, Watson, Webber and Wortley

Senators in attendance: Senators Abetz, Barnett, Mark Bishop, Boswell, Bushby, Crossin, Ellison, Fisher, Humphries, Kirk, Marshall, Nettle, Payne and Trood

Committee met at 9.01 am

IMMIGRATION AND CITIZENSHIP PORTFOLIO

In Attendance

Senator Chris Evans, Minister for Immigration and Citizenship

Department of Immigration and Citizenship

Executive

Mr Andrew Metcalfe, Secretary
Mr Bob Correll PSM, Deputy Secretary
Ms Carmel McGregor, Deputy Secretary
Mr Peter Hughes, Deputy Secretary
Ms Alison Larkins, Acting Deputy Secretary

Internal Products—Enabling divisions that provide services and support to the delivery of all outputs

Ms Marilyn Prothero, First Assistant Secretary, Financial Strategy and Reporting Division
Mr Steve Dreezer, Acting First Assistant Secretary, People Services, Values and Training Division
Mr Craig Farrell, Assistant Secretary, People Services Branch
Ms Robyn Bicket, Chief Lawyer, Legal Division
Mr Des Storer, First Assistant Secretary, Strategic Policy Group
Mr Sandi Logan, Manager, National Communications
Ms Susie Van Den Heuvel, Deputy Manager, National Communications
Mr Peter McKeon, First Assistant Secretary, Systems Division

Mr James Fox, First Assistant Secretary, Client Services Division

Ms Deborah Lewis, Assistant Secretary, Service Delivery Network Operations Branch

Mr Nhan Vo-Van, Assistant Secretary, Ministerial and Parliamentary Services Branch

Outcome 1—Contributing to Australia’s society and its economic advancement through the lawful and orderly entry and stay of people

Output 1.1 Migration and temporary entry

Mr Peter Vardos PSM, First Assistant Secretary, Migration and Temporary Entry Division

Ms Yole Daniels, Assistant Secretary, Business Branch

Mr Gregory Mills, Assistant Secretary, Migration Branch

Mr Kruno Kukoc, Assistant Secretary, Temporary Entry Branch

Output 1.2 Refugee and humanitarian entry and stay

Ms Arja Keski-Nummi, First Assistant Secretary, Refugee, Humanitarian and International Division

Mr John Matthews, Assistant Secretary, Onshore Protection Branch

Ms Judith O’Neill, Assistant Secretary, Humanitarian Branch

Ms Ondrae Campbell, Acting Assistant Secretary, International Cooperation Branch

Output 1.3 Border security

Mr Stephen Allen, Acting First Assistant Secretary, Border Security Division

Output 1.4 Compliance

Ms Lyn O’Connell, First Assistant Secretary, Compliance and Case Management Division

Ms Lynne Gillam, Assistant Secretary, Compliance Resolution Branch

Mr Peter Richards, Assistant Secretary, Compliance Operations Branch

Mr Robert Illingworth, Assistant Secretary, Compliance Strategy Branch

Ms Joanne Verikios, Assistant Secretary, Case Management Branch

Output 1.5 Detention

Mr Dermot Casey PSM, Acting First Assistant Secretary, Detention and Offshore Services Division

Mr David Doherty, Assistant Secretary, Detention Operations and Client Services Branch

Output 1.6 Offshore asylum seeker management

Mr Dermot Casey PSM, Acting First Assistant Secretary, Detention and Offshore Services Division

Output 1.7 Systems for people

Mr Anthony Parsons, First Assistant Secretary, Business Transformation Services Division

Mr Nico Padovan, Assistant Secretary, SFP Program Management Branch

Outcome 2—A society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably

Output 2.1 Settlement services

Ms Kate Pope, First Assistant Secretary, Citizenship, Settlement and Multicultural Affairs Division

Output 2.2 Translating and interpreting services

Ms Kate Pope, First Assistant Secretary, Citizenship, Settlement and Multicultural Affairs Division

Ms Fiona Andrew, Director, TIS National

Output 2.3 Australian citizenship

Ms Kate Pope, First Assistant Secretary, Citizenship, Settlement and Multicultural Affairs Division

Ms Renelle Forster, Assistant Secretary, Citizenship Branch

Output 2.4 Promoting the benefits of a united and diverse society

Ms Kate Pope, First Assistant Secretary, Citizenship, Settlement and Multicultural Affairs Division

Mr Daniel Boyer, Assistant Secretary, Multicultural Affairs Branch

Output 2.5 Systems for people

Mr Anthony Parsons, First Assistant Secretary, Business Transformation Services Division

Mr Nico Padovan, Assistant Secretary, SFP Program Management Branch

Migration Review Tribunal and Refugee Review Tribunal

Mrs Mary Urquhart, Deputy Principal Member, Refugee Review Tribunal and Acting Senior Member, Migration Review Tribunal

Mr John Lynch, Registrar

Mr Rhys Jones, Deputy Registrar

CHAIR (Senator Crossin)—I declare open this public meeting of the Senate Standing Committee on Legal and Constitutional Affairs. The Senate has referred to the committee the particulars of proposed expenditure for 2008-09 and related documents for the Immigration and Citizenship portfolio. The committee may also examine the annual reports of departments and agencies appearing before it. The committee is due to report to the Senate on 24 June and we have fixed 10 July 2008 as the date for the return of answers to questions taken on notice.

Under standing order 26, we must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The Senate by resolution in 1999 endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has also resolved that an officer of a department or the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to either superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policy or factual questions about when and how policies were adopted.

If a witness objects to answering a question, they should state the ground upon which the objection is taken and the committee will determine whether or not it will insist on an answer, having regard to the ground which is claimed. Any claim that it would be contrary to the

public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis of that claim.

[9.05 am]

Migration Review Tribunal and Refugee Review Tribunal

CHAIR—Senator Evans, do you want to start with an opening statement?

Senator Chris Evans—No, thank you, Madam Chair. I think on this occasion as we have got a full two days in front of us that will more than adequately cover all the ground.

CHAIR—I understand the representatives of the Migration Review Tribunal and the Refugee Review Tribunal have an opening statement to provide, so I invite them to present that.

Mrs Urquhart—Thank you, Madam Chair. I might just mention that the principal member is not attending today because he is leading the charge at the international conference at the Monash University Centre in Prato, Italy, on ‘Best practices for refugee status determination: principles and standards for state responsibility’.

May I on behalf of my colleagues how pleased we are to have the opportunity to be here today. The Migration Review Tribunal and the Refugee Review Tribunal last appeared before you in February 2008. Since that time, there have been some developments which I would like to highlight for you today. If I could first turn to the Migration Review Tribunal caseload, I can report to you that, during the period 1 July 2007 to 30 April 2008, the Migration Review Tribunal received 5,280 lodgements. This figure compares with 4,809 up to the same time last year. The profile of lodgements has changed somewhat since last year. Partner refusal cases remain the largest component of our caseload, but they have fallen from one-third of the caseload in 2006-07 to a quarter in 2007-2008. Student cancellations are also down, from 17 per cent to 12 per cent, although student refusals have risen from seven per cent to 12 per cent. Skilled cases are slightly up from 12 per cent to 15 per cent, as are temporary business refusals, up from four per cent to nine per cent. The Migration Review Tribunal has made 4,253 decisions in the year to date, and this compares with 5,019 decisions at the same time last year. As far as cases on hand go, there were 4,561 cases on hand at the end of April, and that compares with 3,712 on hand at the same time last year.

If I could turn now to the Refugee Review Tribunal caseload, during the period 1 July 2007 to 30 April 2008, the Refugee Review Tribunal received 1,882 lodgements. That compares with 2,403 lodgements at the same time last year. I can report to you that the Refugee Review Tribunal has made 1,870 decisions in the year to date, and that compares with 2,684 decisions at the same time last year.

There were 595 refugee review cases on hand at the end of April, and that compares with 571 cases on hand at the same time last year. Cases from the People’s Republic of China continue to make up over one-third of the Refugee Review Tribunal’s case load. India continues to be the next largest country, followed by Indonesia and Bangladesh. The average time taken to decide cases in the Refugee Review Tribunal in the period 1 July 2007 to 30 April 2008 was 84 days, compared with 80 days during the same period in 2006-07.

I would like to refer to some of the figures for judicial reviews of decisions of the Migration Review Tribunal. From 1 July 2007 to 30 April 2008, there were 111 Migration Review Tribunal decisions remitted by the courts. This is the equivalent of 2.6 per cent of all Migration Review Tribunal decisions made during the period. In the Refugee Review Tribunal for the same period there were 191 decisions remitted by the courts. This is equivalent to 10.2 per cent of all decisions during the period.

I will report to you on complaints received as to the Migration Review Tribunal. In the year to date there have been 15 complaints against members. These complaints are investigated internally and, of the complaints received, three were upheld and 12 were dismissed. There were no complaints against staff. For the Refugee Review Tribunal, six complaints against members were received and investigated, with two being upheld, one partially upheld and three dismissed. Again, there were no complaints against staff. The majority of complaints tend to relate to perceptions of the conduct of hearings.

Those are the remarks I would like to put before you by way of an opening. I indicate to you that my colleagues and I are happy to elaborate on those matters and answer any questions that the committee may have.

CHAIR—Thanks, Mrs Urquhart.

Senator BARNETT—Madam Chair, it would be useful if that opening statement could be tabled, if at all possible.

CHAIR—Do you have it in a typed form, Mrs Urquhart?

Mrs Urquhart—Yes. We can certainly do that.

CHAIR—Thank you, Mrs Urquhart. Can you provide your observations on those figures? From my reading, they seem to be down in quite a number of areas. Have you made any analysis of why that would be the case? Is it because fewer people are actually seeking to come to the tribunals, or is it because the department is handling issues at that level so there is no need to question the outcome? Are there fewer people in the system—although I cannot believe that would be the case.

Mrs Urquhart—I think there are a variety of answers to the questions that you have raised. Since 29 June 2007, we have been operating under new provisions. The new provisions are impacting to some extent on our figures. I am not sure what you would put as the prime aspect.

Mr Lynch—If I may answer this, the reasons for a reduction in lodgements are several, as Mrs Urquhart has pointed out. Certainly it would be worth canvassing these issues at the primary level with the department in due course. But in terms of the Refugee Review Tribunal's lodgement rate, over the last three or four years there has been a very substantial decline in lodgements. I think that has been at the primary level as well as the review level. That is for a range of reasons associated with events overseas, and that will fluctuate.

In the last couple of years the RRT's lodgement rate has stabilised and we are likely to receive anything between 2,000 and 3,000 lodgements a year. I might just mention that the RRT lodgements are 22 per cent down over the past 12 months, but MRT lodgements are actually up by 10 per cent. Again, there are a number of reasons for that, associated with the

migration program and the number of approvals and rejections at the primary level. Also there are some indications that applicants realise that lodging an application for review in the tribunals will not necessarily guarantee a two- or three-year delay or extra time in the country if they have an unfounded application as our turnaround times are now much quicker.

Senator BARNETT—Thank you for your opening statement. It is very much appreciated and it is very informative. In terms of the complaints on the MRT and the RRT and those that were upheld—three were upheld for the MRT and two were upheld for the RRT—could you outline to the committee what has occurred as a result of those complaints being upheld.

Mrs Urquhart—I will take one step back. When a complaint is received, if it is about a member—and the complaints have been—it is first of all sent to me as the deputy. I oversee the complaints system within the tribunals. It is then forwarded for investigation to the senior member who has the member named in the complaint in their particular group. The investigation includes listening to the proceedings—because our proceedings are taped, so there is a disk available. It involves speaking with the member about whom the complaint has been made. As a result of those investigations, a report comes to me. I then write to the complainant indicating something of the investigation that took place and the outcome of that investigation.

Senator BARNETT—That is very useful background. It sounds like you have a reasonably comprehensive complaints mechanism handling system.

Mrs Urquhart—We do. We do not have a lot of complaints compared to the number of hearings that we conduct, but they do come in. It is important that people are listened to. We take complaints very seriously. We particularly like to ensure that people understand our procedures. Sometimes the complaints relate to things that they perhaps just did not understand. We work hard to explain.

Senator BARNETT—Can you advise what has occurred with respect to the three that were upheld in the MRT?

Mrs Urquhart—I do not have the particular cases before me. All I can say is that, in each of those cases, a letter would have gone back to the complainant. No further correspondence has been received. On that basis, presumably, the person who made the complaint was satisfied with the response.

Senator BARNETT—Perhaps you could take it on notice and let the committee know of the circumstances and nature of the complaint—

Mrs Urquhart—I would be happy to do so.

Senator BARNETT—and the details of the complaint. For the purposes of the committee, what sort of disciplinary reaction would you undertake? It could depend upon the circumstances, of course, but can you give us an example?

Mrs Urquhart—If it appeared that a member had been discourteous as part of the conduct of the hearing, that person would be reminded of their obligations as to procedural fairness, the perception of people, ensuring that there is no bias displayed in any way—things that really do relate back to people being listened to, being given procedural fairness and being treated courteously.

Mr Lynch—It is a code of conduct issue if a member behaves discourteously or disrespectfully. It also potentially leads to jurisdictional error in the conduct of the review, so members are aware that their ultimate appraisal by their senior members or the deputy principal member or the principal member is at issue, so these things are taken seriously by members.

Senator BARNETT—Do you have a code of conduct?

Mr Lynch—We certainly do.

Senator BARNETT—So all members sign the code of conduct?

Mr Lynch—They do.

Senator BARNETT—It is not voluntary, they must sign it?

Mrs Urquhart—No, they sign when they—

Senator BARNETT—That code, I assume, is on the public record for the public to review?

Mr Lynch—It is.

Senator BARNETT—Have any members resigned as a result of complaints and the consequences of the inquiry?

Mr Lynch—I do not believe so—certainly not in recent years. There has been no complaint of that magnitude.

Senator BARNETT—Can you advise the nature of the complaint? These issues also occur in the judiciary. Currently, there is debate about who judges the judges, and in New South Wales they have a judicial commission. At a national level, we do not. We have section 72 of the Constitution, whereby judges have to be brought to the parliament, both houses have to agree as to whether there has been misconduct. Under your system relating to the code of conduct and how complaints are measured, does it relate to displaying bias, a delayed verdict or going to sleep on bench—those sorts of things? These things have happened in the judiciary. We are all human beings and I am just wondering how you deal with it in your tribunal.

Mr Lynch—If I can just mention, there is a fairly formal appraisal process, and members are formally appraised probably every 12 to 18 months by their senior member. That appraisal is directed through the deputy principal member to the principal member and, at the end of the day, as the appraisal documents reflect, the member's reappointment ultimately is an issue if there has been serious misconduct on an ongoing basis.

Senator Chris Evans—Can I just add there, Senator Barnett, for your information that I recently signed off on a decision to ensure that there is a merit selection process for all vacancies at the conclusion of appointments in the tribunal. So the senior members who are coming up for appointment at the end of the year—I think, Mrs Urquhart, you are one of them—

Mrs Urquhart—I am.

Senator Chris Evans—will be required to reapply for their jobs and there will be a full merit selection process. The principal member does staff appraisals as part of that process. This is no reflection on Mrs Urquhart, or on her job, but all the positions will be advertised. There will be a merit selection process, and obviously those persons currently holding those appointments will be invited to reapply, but there will be a full and proper merit selection process.

Senator BARNETT—If they are going to be advertised, Minister—and thank you very much for advising that—can I encourage you to consider not just advertising in the *Financial Review* and the *Australian*, as is the case for the advertisements for Federal Court judges and Federal Magistrates Court judges. As we heard yesterday, there are other parts of Australia, such as Western Australia and Tasmania, where you may wish to advertise more broadly. So I would draw that to your attention.

Senator Chris Evans—I always find that a lawyer, Senator Barnett, can find opportunities to apply for jobs without necessarily having to advertise that widely, but I am happy to ensure the process is broadly published.

Senator BARNETT—Very good.

Mr Lynch—If I could just add to that, Senator, we actually do advertise widely. All reappointment processes are advertised in all major newspapers across the country.

Senator BARNETT—Excellent news, thank you. Just to confirm, you will take on notice, for both the MRT and the RRT, those complaints that are upheld, the nature of the complaint and the consequences?

Mrs Urquhart—Yes.

Senator BARNETT—That would be appreciated. I was going to ask about the number of members whom you currently have and the number of vacancies.

Mrs Urquhart—The current membership comprises a total number of 93. It comprises a principal member, who is cross-appointed to both tribunals, a deputy principal member—I am the Deputy Principal Member of the RRT and I am a senior member of the MRT, or an acting senior member of the MRT. There are four senior members who are cross-appointed, seven full-time members who are cross-appointed, and the majority of the part-time members—80—are cross-appointed.

Senator BARNETT—What is the definition of ‘part time’?

Mrs Urquhart—Part time is up to four days a week. We have members who work two days a week, three days a week and four days a week.

Senator BARNETT—And vacancies?

Mrs Urquhart—At the moment we do not have any particular vacancies.

Mr Lynch—We anticipate that with 41 reappointments coming up at the end of June next year that some members may choose not to seek reappointment for a host of reasons. That is something that we are discussing within government at the moment.

Senator BARNETT—What is their term?

Mr Lynch—It has been three years.

Senator Chris Evans—I think it is fair to say that I have been discussing with the principal member the appropriate balance between full-time and part-time members, given changing workloads and changing demands in outlying states like Western Australia, Brisbane and Tasmania. We have been looking at whether we have got the balance right. The principal member has some ideas, which I will consider as to how we ensure we have the right number of people and the right mix of permanent and part time in the right places. I think there has been quite a growth in applications in Brisbane, for instance, hasn't there?

Mr Lynch—Yes.

Senator Chris Evans—Those sorts of things will be considered along with the propositions from the principal member. There will be a full merit selection process for the terms that expire at the end of June. People will be able to apply for reappointment, but it will be a fully open and advertised merit selection process.

Senator BARNETT—Could you either answer now or take on notice where the members reside or are located in terms of their role? If you can give me a state and territory breakdown, and a city breakdown, that would be appreciated.

Mr Lynch—Certainly.

Senator BARNETT—Minister, can you provide an outline of the new appointment process for the tribunals? You have indicated a merit based and advertised approach.

Senator Chris Evans—One of the officers might be able to help with how it differs from how it was in the past. As I say, it will be a properly advertised merit selection process. I will take that on notice and give you the details.

Senator BARNETT—That would be very much appreciated.

Senator ELLISON—I will turn to the case load of the MRT and the RRT. It seems as though both tribunals have been busy. I think the figure for the MRT was 4,561 cases on hand. I take it they are cases that are awaiting decisions. Is that right?

Mrs Urquhart—I think they are cases awaiting constitution.

Mr Lynch—There are 4,561 cases on hand—of those, 1,609 have been constituted and 2,952 are unconstituted.

Senator ELLISON—When you say 'constituted,' what do you mean by that?

Mr Lynch—Allocated to a member for the conduct of the review to commence.

Senator ELLISON—So just over 4,500 cases are awaiting consideration?

Mrs Urquhart—Yes.

Senator ELLISON—In relation to the RRT, I might have misunderstood this—was it around about 1,800? What was the figure there?

Mr Lynch—It is 595. Of those, 88 per cent—that is, 524—have been allocated to members for the review to commence, and 12 per cent, or 71 cases, are unallocated at this point. I should just clarify that, with respect to the MRT, the 4,500 cases are not all cases waiting to be

actioned. Thirty-five per cent of those—that is, 1,609—have actually been allocated to a member and work is in progress on those matters.

Senator ELLISON—So they are part heard?

Mr Lynch—Yes, part heard.

Senator Chris Evans—They would not all necessarily be part heard, would they?

Mr Lynch—In a sense, I think that is a judicial term. Once a case is allocated to a member the member's actions on those cases will vary depending on how many cases they have in the pipeline, whether they have a number of detention matters, which get high priority, and so on. Regarding the review itself, the member will examine the case—in this case, an MRT matter—and decide whether a section 359A 'Invitation to comment on adverse information' might be issued and, in the interim, decide whether or not to have a hearing and invite the applicant to a hearing. We like to get cases to members as early as possible so that some action can commence. For example, if it is a 'no jurisdiction' matter, we identify those matters early so that applicants are told as early as possible after lodgement that the tribunal has no jurisdiction to deal with that particular matter.

Senator ELLISON—We are looking at this on the basis of the MRT versus the RRT, but overall if there is a 10 per cent increase in MRT lodgements and a two per cent decrease in RRT—

Mr Lynch—That was 22 per cent, Senator.

Senator ELLISON—Twenty-two per cent. Overall, though, dealing with the two tribunals, in broad terms has there been an increase in case load?

Mr Lynch—Comparative to several years ago there certainly has been a decline.

Senator ELLISON—Compared to last year?

Mr Lynch—At this time last year we had made 5,019 decisions and this year only 4,200. Lodgements for the same period last year was 4,809 compared to 5,280 this year. We had actually received 10 per cent more at this particular point in the financial year than last year. Overall, I will just give you an indication. In our annual report, we report that last year's MRT lodgements were 5,810 and the RRT lodgements were 2,835. We are likely to achieve maybe 6,200 MRT cases this financial year if current lodgements hold, which would be a slight increase—maybe a 400 case increase—on last year's lodgements with the MRT. With the RRT, we are anticipating maybe 2,250 lodgements by the end of June. Compared with last year that would be less by about 600. Last year we had 2,835 RRT matters lodged.

Senator ELLISON—The RRT workload seems to have fluctuated, although the refugee program has stayed much the same over that period of time, has it not?

Mr Lynch—I cannot really comment on the refugee program in the broad sense. As far as our lodgements are concerned, certainly compared with four or five years ago where we had up to 6,000 lodgements a year, they have certainly declined to 50 per cent of that sort of figure.

Senator ELLISON—With the Migration Review Tribunal, is it expected that where you increase the program you will get an increase in lodgements?

Mr Lynch—That is quite possible.

Senator ELLISON—Has that been your experience?

Mr Lynch—Yes.

Senator ELLISON—If I could turn to page 73 of the portfolio budget statement. We deal with staffing levels there, which I assume relate to both the MRT and the RRT—is that right?

Mr Lynch—Yes, those figures relate to the average staffing level for both members and staff. That is the full-time equivalent of those human resources.

Senator ELLISON—That would seem to indicate a decline from 340 to 333—is that right?

Mr Lynch—Correct.

Senator ELLISON—Where are those cuts made?

Mr Lynch—Compared with, say, three or four years ago, while the two tribunals were separately administered, we had 137 members in total. We now have 93, so there has been an ongoing reduction in member resources. Certainly with regard to staff, we have made some efficiencies over the past four years as the two tribunals in both Melbourne and Sydney have been amalgamated. All staff are cross-appointed, as are all members. Those figures do fluctuate during the year. The average staffing level for both members and staff will fluctuate, depending on a range of factors—resignations, retirements, deaths and so on.

Senator ELLISON—You might have to take this on notice, but I would be grateful if you could advise the committee as to the location and classification level of those cuts or reductions.

Mr Lynch—I certainly could. They are not strictly cuts. They are efficiencies that we have made in line with requirements, not only department of finance efficiency measures but also savings and efficiencies achieved through amalgamation.

Senator ELLISON—Are they part of the efficiencies dividend announced?

Mr Lynch—We have certainly reported on all returns of appropriation to government in additional estimates processes, in particular, over the past three years.

Senator ELLISON—Can I refer you to page 77 of the portfolio budget statement, which deals with funding and the budgeted financial statements tables which, again, I understand relate to both the MRT and the RRT?

Mr Lynch—That is correct.

Senator ELLISON—The figures for 2007-08, compared to 2008-09, have a variation and then on the out years you have further figures which, again, are different. How do you account for that variation in 2008-09?

Mr Lynch—We have certainly had to return appropriation to government with the reduction in case load finalisation targets. We have a funding agreement, which is currently under review, with the Department of Finance and Deregulation, under which we receive appropriation based on the number of cases finalised. For various reasons that has become an unsatisfactory mechanism, mainly because of volatility of case load, legislative changes and

case law developments. The deployment of member and staff resources does require continual close management, and we have been required to return to government \$2½ million, which is reflected in our portfolio budget statements for this financial year and our additional estimates figures, so you will see a reduced revenue base and expenditure base anticipated for 2008-09.

Senator ELLISON—Have there been any measures put in place to expedite the movement of the case load?

Mr Lynch—Yes, the principal member issues directions on efficiency in the conduct of reviews. Those directions apply not only to members but to staff, as well as to applicants and migration practitioners. We are constantly looking at ways to improve the way we do business. We are shaving time off the conduct of the review in every way that we can, from lodgement to finalisation, including receipt of departmental files. We are receiving departmental files very quickly, and that is a function of our time-limited reviews and also the 90-day requirement for RRT reviews.

Senator ELLISON—Have you made any assessment as to where attention is needed to avoid delay?

Mr Lynch—We certainly have—particularly, for example, with detention matters. We have reviewed our procedures with detention matters. In the past 12 to 18 months we have tightened things as far as we can. We have very strict statutory time lines for serving notices, invitations to hearings and the like. We are constantly tweaking our processes to minimise the time line in the conduct of a review. A lot of what we do, though, is dependent on availability of evidence and early submissions from advisers. The need to access information from overseas is a major reason for delay. But we are looking at ways to constantly revise how we do business with all our stakeholders, including other government agencies, where we depend on health assessments or country information via DFAT from overseas. We are examining all ways possible to minimise delay. We have an MOU with the Department of Immigration and Citizenship and we have an MOU under discussion with the Department of Foreign Affairs and Trade to ensure efficiency in acquiring information and evidence for the tribunals.

Senator ELLISON—Apart from accessing information overseas, have there been any other areas where you have found delay of a reasonable dimension—not minor, but major areas of delay?

Mr Lynch—Some visa subclasses need attention from time to time. We have monthly meetings of our senior management group and the board to analyse our case statistics and try and identify backlogs or cases that are growing in age. We have an initiative at the moment where we have transferred a number of older MRT matters to Sydney so that Sydney members can get on with those cases and assist Melbourne members.

Mrs Urquhart—There are a number of initiatives internally that the principal member has put into place, including in recent times the batching of cases so that members, rather than getting cases from all across the board, may get three of one country or three of one class of visa. That contributes to proficiency as well.

Senator ELLISON—You mentioned the percentages of cases that went to court. I think they were 2.6 for the MRT and 10.2 for the RRT, as I understand it. Of those cases that go to court, how many are successful?

Mr Lynch—I might indicate that over the past four years some 6,450 decisions have been appealed to the courts. Only 3.8 per cent of the 36,579 decisions made in that time by the tribunals have been remitted to the tribunals to reconsider. So 6,450 have been appealed out of a total of 36,579. Of that, 3.8 per cent of the total figure have been remitted.

Senator ELLISON—That is for the MRT and the RRT combined?

Mr Lynch—That is correct.

Senator ELLISON—Are you able to give us figures for those respective tribunals?

Mr Lynch—Yes, I can do that. In the period 1 July 2007 to 30 April 2008, 219 applications for judicial review were lodged in relation to 219 MRT decisions. Of the 4,253 MRT decisions made during the reporting period, 4.4 per cent—that is, 187—have been the subject of an application for judicial review. There were 308 judicial review applications were finally determined. The tribunal's decision was set aside in 111 cases. Of these, 22 were set aside or remitted by judgements and 89 were set aside or remitted by consent. This represents 36 per cent of judicial review applications finally determined in the period. So 744 decisions made by the MRT since June 1999—which is when the MRT was established—have been remitted by the courts for reconsideration. That totals 1.1 per cent of all MRT decisions. Of these, 684 have since been reconsidered and finalised. In 53 per cent of the finalised matters, the primary decision was set aside.

Senator ELLISON—Do I understand that 4.4 per cent of those cases which have gone to the courts on appeal from the MRT have either been remitted to the MRT or been successful in some other way?

Mr Lynch—Of those cases, 4.4 per cent were the subject of an application for judicial review.

Senator ELLISON—Let me put it this way: can you tell me the percentage where the decision has gone against the MRT?

Mr Lynch—In the periods that we are discussing there were 308 judicial review applications which will not necessarily be in relation to MRT decisions made this financial year. Of those 308 that were finally determined by the courts, the tribunal decision was set aside in 111 cases. That represents 36 per cent of judicial review applications determined in the period. So I think the figure you are looking for is 36 per cent.

Senator ELLISON—What about the RRT?

Mr Lynch—In the same period, there were 970 applications for judicial review. Of 1,870 RRT decisions made during this period, 42.8 per cent—that is, 800—were the subject of an application for judicial review. In this period, 1,551 judicial review applications were finally determined by the courts. The RRT's decision was set aside in 192 of these cases. That represents 12.3 per cent of the judicial review applications finally determined in the period. I might just mention that, since 1993, when the RRT was first established, 2,639 cases in total have been remitted to the RRT for reconsideration. That amounts to 3.7 per cent of all RRT decisions made. Of these, 2,543 cases have since been reconsidered and finalised. In 31.4 per cent of those finalised matters, the primary decision was set aside.

Senator ELLISON—Thank you. I have no further questions.

Senator TROOD—Mrs Urquhart, I looked at the statistics you gave us in relation to decisions by both of the tribunals. You said they are year to date decisions and decisions in relation to the same time last year. So they are comparative statistics—is that right?

Mrs Urquhart—Yes.

Senator TROOD—With regard to each of these tribunals, the decision rate seems to be considerably lower this year than it was last year. Am I understanding these statistics correctly?

Mrs Urquhart—Yes.

Senator TROOD—Are those figures abhorrent—that is to say, are the numbers down this year particularly or was last period a notably successful period for completing decisions?

Mrs Urquhart—I think the numbers are down this year because we have had some changes to the legislation, which we are monitoring, but which anecdotally appear to be impacting. These were the new provisions that came in on 29 June 2007. The new provisions were designed to ensure greater procedural fairness to applicants. It would appear that they are resulting in slightly more time being taken for cases, adjournments being granted and opportunities being given to applicants to put in further material or comment on adverse material, which, as I understand it, was the purpose of the amendments. So, from the tribunal's point of view, the applicants are being afforded greater fairness, if you like, but it would appear at this stage to be impacting on timeliness.

Senator Chris Evans—She is basically blaming us.

Senator TROOD—I thought she was blaming us.

Senator Chris Evans—Yes, that is what I am saying: she is blaming us—the parliament. I am prepared to share the responsibility, Senator.

Senator TROOD—That is very good of you. Having exacted that concession from you, which is probably the only one we will get in two days, perhaps I should sit on that.

Senator Chris Evans—You are on a roll, Senator Trood; you never know.

Senator TROOD—Are you satisfied that this is largely a consequence of the procedural requirements in dealing with cases and it is not related to other more systemic problems that might occur with regard to the availability of members, for example, or the fact that the cases themselves are unusually or increasingly more complicated et cetera?

Mr Lynch—It is a dynamic environment that we work in. We have new members learning the job on both tribunals. The former government appointed 12 new members last year, and it takes time for new members to get up to speed. So there is that imperative. There is the need to maintain timelines on both tribunals. Deployment of member resources is something that is looked at every single month as to whether we need to improve a member's caseload on one tribunal or reduce it to enable us to manage the caseloads effectively. There is a training issue, a professional development issue and a resource issue, which we are examining at the moment. There are a range of factors that cause our performance to fluctuate. Many of these things are outside our control. The legislative policy issue is one, but case law development is a vital aspect of the work. Every time we get a new Federal Magistrates Court decision

interpreting a visa subclass in a particular way, we have to alert members who already have those cases and we have to revise decision templates which reflect the current law, which is very fast moving. And, yes, the case law is complex. We are also having much more and better representation from migration practitioners, which impacts on how members are able to deal with their cases. There are a large number of factors affecting performance from year to year.

Senator TROOD—I understand that, but I also understand that this has always been part of the context in which the tribunals operate. The fact that the case law is changing and that different decisions of courts have to be incorporated into tribunal decisions and the educative process in relation to members are all part of the environment in which you have long worked, I would have thought. The question here is whether or not there are some specific issues that are affecting the speed with which matters are resolved and whether or not that has implications for tribunal resourcing—whether or not you may need to seek additional members, for example. Have you reached the point where you are falling behind the rate at which you have traditionally resolved cases? And, therefore, have you turned your mind to whether or not you wish to seek further resources? I do not mean this critically, but it is a question of whether or not there may be a systemic issue here that needs to be addressed by the particular tribunal.

Mr Lynch—You are quite right about the ongoing challenges. The resource issues are an ongoing challenge as well. We do keep that under consideration and discuss that within government, and we are developing a position with regard to our member base in the light of possible changes in our membership numbers over the next six to nine to 12 months. The MRT cases on hand are growing; there is no question about that. That is a cause of concern to us, but it does not suggest a systemic problem; it suggests that efficiency measures and resource issues definitely need to be further explored.

Senator Chris Evans—Can I just say, Senator Trood, that I share your concern about the timeliness of the process and what seem to be the difficulties this year with the slight reduction in turnout. I have had a conversation with the principal member about that, who has raised his concerns about the impact of the new legislation and a few other matters on the work of the tribunal. He has put some suggestions to me on how we might address that. They are based not so much on having X resources as on how they manage their resources. Mrs Urquhart made a point that one of the problems with having a lot of part-timers is the training effort that has to go into someone who might only work a day a week to get them to a point where they are making fair and balanced decisions that are not being overturned on appeal. I am not against part-time workers, but you can understand the difficulties if you have a large number, in terms of the resource intensiveness. It is an area that has become much more complex legally and much more interpretive for the court. The principal member has made the point to me that that is actually using more resources to make sure they have covered their bases in terms of the recent interpretation.

So there are a range of issues, focused not so much on resources but on management. I am taking a keen interest in that, as is the principal member. From a broader immigration minister's role, my view is that we need to resolve these matters quickly. People need to have their appropriate appeal rights but they need to be processed quickly because the delay only

adds to the difficulties for the person and, more broadly, for the system. I am focused very much on the issues you raise. To be fair to the principal member, he is very focused on them as well.

Senator TROOD—As I said, they are arresting statistics. You have not said, Minister, that you are contemplating a change in the legislation, which may have been in part the reason for these delays. Is that the case—that you are not contemplating amendment to the legislation?

Senator Chris Evans—I am very conscious that the government does not control the Senate. Where possible, I seek to, by administrative action, improve the portfolio without necessarily seeking a lot of legislative change, but there may well be some in this area. I think it is also fair to say, though, that it is a very short period of time since the last legislative changes. I think we would need to make an assessment after a bit more experience as to whether it is the legislation that is causing the problem or whether it is just the adjustment to the legislation. The parliament took a view last year that these were changes that were necessary, providing more fairness to clients. Obviously the parliament would not be keen to reverse that sort of approach. I think the best thing to say is that we will have a look at the experience after a bit more time. I am sure that some of the committee members will take an interest in that. I might suggest that the principal member might report to the next estimates and come prepared to explain, in his view, how the response to the legislation is going. You can pursue it with him then.

Senator TROOD—That would indeed be helpful. I agree with you that the interests of the people affected are important here. The amendments last year, I thought, did improve procedural fairness. I think in that context they should continue to be supported. Thank you.

Senator ELLISON—I just have one question. What percentage of the cases on hand involve people in detention?

Mr Lynch—We have about 38 cases on hand involving detainees at the moment. There are 11 applications lodged with the MRT and 27 cases involving applicants with RRT review applications.

Senator NETTLE—Could you give me an update on the sexuality awareness training that has been happening at the tribunal?

Mrs Urquhart—Since the last time we appeared before the committee we have had Associate Professor Kristen Walker, barrister and Associate Professor at the University of Melbourne, and Jamie Gardiner, a member of the Victorian Equal Opportunity and Human Rights Commission, conduct seminars in both Sydney and Melbourne, which were well received by the members. The sessions focused on sexual identity.

I can report to you that in late April or the beginning of May we received a report from the Gay and Lesbian Rights Lobby which, I think, they offered to the tribunal when the former principal member appeared before the committee in May 2007. They had offered to do a report to assist the tribunal in respect of sexual orientation and gender identity issues. They have given us the report—it is a lengthy report; it contains some 17 recommendations—and I can report to the committee that it is under consideration at the moment. It will take us a little bit of time to work through the recommendations.

Senator NETTLE—Last time you appeared before the committee there was discussion about events in a focus group discussion in Sydney and another one in Melbourne.

Mrs Urquhart—Yes. They have also been held. They were conducted in-house by a Sydney member, who conducted the same focus session with the members in Melbourne.

Senator NETTLE—You talked about engaging academics ‘to provide some training’. Was that at the seminars you just referred to?

Mrs Urquhart—Yes. I think we took on notice to inform you who the academics would be, and Professor Kristen Walker and Mr Jamie Gardiner were the two people engaged.

Senator NETTLE—Can you tell me when that training was?

Mrs Urquhart—It took place in March in Melbourne and on 22 May in Sydney.

Senator NETTLE—Thank you. My other question is to the minister. The National Platform and Constitution on the ALP website says:

Labor will process claims quickly through a new Refugee Determination Tribunal, with appeals to Federal Magistrates.

Could I have an update on that?

Senator Chris Evans—No decisions have been taken in regard to any reorganisation of those arrangements. As you would be aware, that would require legislative change and fits into a broader discussion about the role of ministerial intervention and the whole process. I am thinking and engaging with people about those issues, but no government decisions have been taken in regard to any changes to the current structures.

Senator NETTLE—There was a media report in the *Age* in March of this year that said:

Senator Evans also signalled the Government might dump—

that particular platform. It has you saying—and it is not a quote:

the pledge had been made several years ago when unauthorised boat arrivals and detention of asylum seekers was front page news.

I understand what you are saying about ministerial intervention, and I will ask about that later, but specifically I am asking whether there is any position change in relation to—

Senator Chris Evans—With all due respect to the *Age* and other journals of record, if they are not quoting me you would have to think there is a reason—that is, because I did not say it. I do not dump the Labor Party platform; the Labor Party platform is decided by national conferences of the Labor Party. What I am responsible for is government policy, and part of that is to look to implement the objectives of the Labor platform. There is no dumping of Labor platform occurring. Obviously, that is a consideration at the next ALP national conference. All I can say to you is that in terms of any changes in this area no government decisions have been taken.

Senator NETTLE—Thank you. That is all I have for the Refugee Review Tribunal.

CHAIR—As there are no further questions, Mrs Urquhart, I thank you and your team for your appearance this morning.

Mrs Urquhart—Thank you.

CHAIR—This takes us to general questions across the department. I ask those relevant officers to come to the table. We will go to general questions first before proceeding to outcome 1, and I want to ask you, Mr Metcalfe, if you have an opening statement to provide the committee this morning?

Mr Metcalfe—No, I do not.

Senator ELLISON—I refer the minister to Budget Paper No. 2, page 348, which has a measure listed as ‘Responsible Economic Management—Efficiency Dividend’. That indicates the government will apply a one-off two per cent efficiency dividend. In the same paper on page 383, there is a measure listed as ‘Responsible Economic Management—Department of Immigration and Citizenship—efficiency improvements’. I want to check: are these one and the same or are they two different measures?

Senator Chris Evans—I am pretty sure they are two separate measures, but Ms Prothero will be best placed to assist you with the detail.

Ms Prothero—Sorry, what was the second—

Senator ELLISON—I am comparing the efficiency dividend mentioned on page 348 with page 383, which says:

The Department of Immigration and Citizenship will implement a range of efficiency initiatives to provide savings of \$43.6 million over four years.

Are they part and parcel of the same thing or are they two separate measures? Page 348 is the two per cent efficiency dividend, which we have all heard about, and page 383 refers to efficiency initiatives.

Ms Prothero—They are two different things. The efficiency initiatives relate to specific measures that were identified during the health check for work that could be done differently or ceased within the department. They are specific measures which are separate from the efficiency dividend, which was more generic across the organisation.

Senator Chris Evans—It was a health check sponsored by the Department of Finance and Deregulation, Senator Ellison. I am not sure whether we covered much of it last time. It was initiated by the previous government and I think the first one was appointed by the department of finance. That is one of the outcomes of that process.

Senator ELLISON—Did the department apply for an exemption for that efficiency dividend from the department of finance?

Mr Metcalfe—No.

Senator ELLISON—The efficiency dividend was proposed by the department of finance, was it not?

Mr Metcalfe—I think it was clear government policy—

Senator ELLISON—Across the board?

Mr Metcalfe—It applied to all agencies, apart from Defence.

Senator ELLISON—In relation to the consequential reductions that flow from that, is the department able to provide a full list of the reductions of funding by output and program name as a result of those efficiency dividends over the forward estimates?

Ms Prothero—We can in relation to the specific efficiency initiatives which are on page 383. I do not have them with me, but they can be provided. In relation to the more generic efficiency dividend, that is a little more difficult to do because the department is working actively to identify specific areas and has not yet finalised particularly where the savings will be drawn from to meet that additional efficiency dividend.

Senator ELLISON—In relation to the first issue, which is the efficiency initiative, if you could take that on notice I would be grateful.

Mr Metcalfe—I should just clarify that the efficiency dividend is not being applied within the portfolio as a two per cent cut across all programs. It is the subject of very careful analysis, which is underway at the moment, within the department as to how it is best applied to ensure that we maximise efficiencies, while at the same time maximising outputs. The department is now aware of its budget with one exception that I will mention in a moment. We are now working actively on how best to apply those savings in looking for measures to ensure that the efficiencies are best directed, without impacting on services. The one area of our budget that remains subject to finalisation is where a large measure of our resourcing comes through a resourcing agreement with the department of finance that is dependent upon actual work levels. So we are actually funded depending on how much work we have to do; how many visas we have to process; how many other measures have to be put in place, and that particular funding arrangement is currently being finalised.

Senator ELLISON—If I might come then to the efficiency dividend. I have put that one question on notice in relation to the efficiency initiatives. I understand you are still working on the efficiency dividend. Perhaps you can take that question on notice. I understand you are deciding where to apply that, Mr Metcalfe, but when that decision is made, if that detail could be provided to the committee I would be grateful.

Mr Metcalfe—We do not expect final internal budgets to be allocated until probably August because of the outstanding work in relation to our resource agreement, but I am prepared to take that on notice. We may not comply with the usual reporting time—

Senator ELLISON—It is understood that if that is not done by then, it is a contingent question conditional on that being done.

Mr Metcalfe—Thanks, Senator.

Senator ELLISON—Can I look at a question that, I think, was raised at PM&C the other day. It dealt with the question of projected revenue from the increase in migration. It is \$2.5 billion and that is on page 4 of Budget Paper No. 2. It appears to give an assessment of projected revenue from that increased migration. I think that is the correct way of looking at it—

Mr Metcalfe—That is correct.

Senator ELLISON—In the other estimates committee there were questions on this and it appeared that, whilst the cost of increased migration had previously been projected in the

budget, this had not been done and that putting in the projected income had not been done before. Is that correct?

Mr Metcalfe—Correct.

Senator Chris Evans—Senator Ellison, I understand these questions have to be asked and I am happy for the department to deal with details, but I just want to make the point that Immigration's view is that the Treasury figures underestimate the economic benefit from the migration program. That is in part based on an Access report, commissioned by the former government, which got a much more favourable bottom line result for migration. We were very pleased to see Treasury finally accept the argument, which I understand the department had put over many years, that the economic benefit from migration ought to be recognised. But clearly at the end of the day that was a decision for Treasury. I know Senator Minchin is rumoured to have been opposed to this for many years and probably is the reason why the previous government did not do it, but that is for him to explain. I just want to make it clear that from this portfolio's perspective we still think that the budgeted figures underestimate the economic benefit, and we are supported in our argument by some other economic analysis, including some Access Economics analysis done for the previous government.

Senator ELLISON—I asked that question to put it in context, because the next question I want to ask is: how did you arrive at the round figure of \$2.5 billion? We are looking at increased figures. Could you advise the committee as to how you did that, what modelling was involved—no doubt there is an aspect of GST that people spend, and all sorts of things. Could you take us through that, Mr Metcalfe.

Mr Metcalfe—I can. The actual answer to your question is best directed to the Treasury because those are figures supplied by the Treasury, as the minister indicated. The reality that migrants not only draw down on government services but also contribute significantly to the economy has been recognised through the payment of tax and all the various other ways that they have a positive impact on the economy. That has been recognised in the budget figures, and ultimately that was a decision by Treasury—that the second round of economic effect through migration should be flagged in the budget figures. The precise estimates as to the impact of that second round contribution were calculated by Treasury. The minister has made it plain, though, that it has been the view of this department for some years that to simply present the costs of migrants in terms of the services they pursue does not tell the whole story, because migrants do very significantly contribute to the economy. You would be aware that skilled migrants have an unemployment level lower than the Australian average. Like all Australians, they pay tax, and that amount is now being taken into account. But the strict answer to your question should be one that Treasury provides, and I am sure they will be happy to talk about it next week.

Senator ELLISON—In arriving at that figure, surely Treasury will be working with the department of immigration? I am looking here at whether the figures are accurate? I can appreciate what the department is saying: let's look at the pluses and negatives. But what I am looking at here is the calculation of the plus side, because the government has said that it is going to get \$500 million worth of savings from this. Of course the question of savings is a big issue in relation to this recent budget, and it is to the question of savings that my attention is directed here. Dennis Shanahan, in his article in the *Australian* on 16 May, said:

The budget predictions for revenue raised from the extra 150,000 workers through four years suggests they will all be high-income earners who immediately start work and pay a cash bonanza to government coffers, including \$1 billion in GST.

On those calculations, given the trend in growth from India and the Government's new tax regime, it seems likely they'll be Bollywood stars buying luxury cars and drinking pink alcopops until it runs out of their ears.

I was very attracted to that.

Senator Chris Evans—The attractive picture being presented should help us fill the program. I will put that in the ads!

Mr Metcalfe—There was a bit of colour from Mr Shanahan there. But, as I said before, it is a matter of record that under the skilled migration program people rapidly move into the workforce, the unemployment rate is less than it is for Australians—and, currently, we have a historically low unemployment rate across the economy—and those people, in moving into the economy, pay taxes like all other Australians. We work closely with Treasury, as we do with other departments, in providing advice to government about the composition and options for the make-up of the migration program each year. We have done some work and there has been some commissioned research that the minister flagged in relation to the so-called second round effects of migration that we have shared with Treasury, but the precise calculations that you have referred to are ones that were devised by the economic experts in Treasury, and so I continue to simply refer that question to them.

Senator ELLISON—You will not mind if I say to them that you told me to ask them the question?

Mr Metcalfe—I saw Dr Henry last night and he said he should be ready.

Senator Chris Evans—And we have also made it very clear to them that we think that it underestimates the positive impact on revenue, but no doubt they like to take a conservative approach.

Senator BARNETT—Mr Metcalfe, just on that point, firstly, is the Access Economics report available or can it be tabled?

Mr Metcalfe—I would have to take that on notice to see whether there are any reasons why it might be confidential, such as cabinet-in-confidence. Can I take that on notice?

Senator BARNETT—Yes, of course.

Senator Chris Evans—I think that is the right thing to do, Senator Barnett, but the original work was done under the previous government and we got a bit of an update done on it off that base. But we will just take it on notice and double-check there are no issues with it.

Senator BARNETT—That would be appreciated. When were the instructions given for the update and when was the update provided?

Mr Metcalfe—We will take the precise dates on notice, but it was an update commissioned earlier this year and made available in time for ministers to consider the issue as part of their deliberations and as part of the budget process.

Senator BARNETT—Could we also have the update document, and if you are happy to take that on notice—

Mr Metcalfe—I will take that on notice.

Senator Chris Evans—I took from your earlier questions, Senator, that you are after both pieces of work, so we will take that on notice.

Senator BARNETT—Is there any other work that you relied upon to make your decisions in regard to increasing the numbers?

Mr Metcalfe—No, that was the primary piece of advice that we had regard to. What work Treasury may have done, I am just not too sure, but certainly they were very confident in moving to this position.

Senator BARNETT—We are in Senate estimates. We do not want to keep jumping around from estimates to estimates. We would like to access the information, if at all possible. If it is within your remit and we ask for it then we would like to receive it.

Senator Chris Evans—That is the point that we have made a couple times: the figures in the budget papers are figures determined by Treasury, not by the work done inside Immigration. These are Treasury figures. The basis of them, the calculation of them was all done inside Treasury. We provided our view as the Immigration portfolio, but I want to be clear that we do not own those figures in the sense that they were calculated by Treasury—

Senator BARNETT—Minister, we went through this yesterday at some length. We are an estimates committee. If that information and documentation is within the department's remit, within the department—

Senator Chris Evans—It is not, though. That is what we are telling you: it is not.

Senator BARNETT—You do not have the document in the department? That is mind-boggling.

Senator Chris Evans—Are you still talking about the Access or the Treasury document?

Senator BARNETT—The Treasury document.

Mr Metcalfe—No, we do not have that.

Senator Chris Evans—We do not have it.

Senator BARNETT—You do not have it?

Senator Chris Evans—No.

Senator BARNETT—The department does not have the Treasury document?

Mr Metcalfe—Senator, I will check to make sure this is an absolutely correct answer, but to the best of my knowledge the figures that are contained in the budget papers were provided by the Department of the Treasury. They were inserted into the budget calculations by the Department of the Treasury and we were not given the calculations or the material from them.

Senator BARNETT—How could you respond to the document and give advice to Treasury and give advice to your minister on this if you did not have the document itself?

Mr Metcalfe—The process is sort of the other way around. As I explained earlier to Senator Ellison, on the basis of research that has been done over some years, the department has been quite confident that migrants in the general migration program are an economic benefit to Australia. That work was well known to previous ministers.

In discussions leading up to the formulation of the budget this year, Treasury indicated that they were examining that issue. An update of research from Access Economics previously commissioned by our department was undertaken. That was provided to other departments and other key people. Independently of that, or perhaps taking that into account, the Treasury did its own calculations as to the economic benefits of migration, and those are the figures contained in the budget. The answer to the question, which I have responded to, is that I do not believe that we, the immigration department, have had access to the calculations undertaken by Treasury in reaching their position that we provided some material to them that they may have taken into account.

Senator BARNETT—Mr Metcalfe, let us put Treasury to one side for a moment. What economic benefit does the department put on the different categories of migrants coming to Australia? Whether it be family or whether it be skilled migrants, there are different economic values that are attributed to each category. Is that correct?

Mr Metcalfe—That is correct.

Senator BARNETT—So you have over time made an assessment within the department of the economic benefit of the different categories. You have prepared your own modelling or assessment of the economic benefit to Australia. I would like to know, and I would like you to advise the committee, the latest assessment that you have undertaken within the department and what those figures are for each category of migrant, as well as the total figure.

Mr Metcalfe—I have already taken that on notice.

Senator BARNETT—For each category?

Mr Metcalfe—I think that, between the minister and me, we have taken on notice whether or not we are able to provide to the committee earlier commissioned research from Access Economics, which does go to that level of detail, and the more recent update. That is an issue that we have already said that we will examine and see if it is possible to make available to the committee.

Senator BARNETT—Can you advise the committee, right here and now, what the value of our immigration program is to Australia?

Mr Metcalfe—It is in the budget document.

Senator Chris Evans—I think I need to be careful about the language, Senator Barnett. There is a question: what is the value to Australia, or the economic benefit or the fiscal impact? What you have in the budget papers is the fiscal impact, as calculated by Treasury.

Senator BARNETT—What I am interested in is the fiscal impact as calculated by the department prior to Treasury giving updated information.

Senator Chris Evans—We have told you three or four times that we have taken that on notice. If we can give it to you, we will.

Senator BARNETT—Was there any other modelling done, other than by Treasury or Access Economics, that the department is aware of?

Mr Metcalfe—I think I have already said no, to the best of my knowledge, but I will check on that point as well. The one point I can say is the information that we have is that the Treasury estimates are conservative. The other information that we have had would indicate that the fiscal impact is greater, or more positive, than is presented in the budget documents. But I do not want to have an argument of economists at 20 paces; I will go with the Treasury advice, and that is presented in the budget material.

Senator BARNETT—On what basis do you believe it is conservative?

Mr Metcalfe—That is because, essentially, the figures as represented in the budget are not as positive as the figures that we have seen from the other source that I have mentioned.

Senator BARNETT—Thank you.

Senator PAYNE—Regarding the announcements in relation to the permanent migration numbers and the temporary migration numbers, what expectations do the department and the government have in relation to the impact on demand for housing?

Senator Chris Evans—I will see if any officials can help you in any detail on the housing question. But, just to be clear—it has been confused by a number of a journalists and has now become sort of an accepted urban myth—this government, like the previous government, does not set the number of temporary skilled migration places.

The skilled migration program, more commonly known as the temporary skilled migration program and colloquially known as the 457 visa scheme, is a demand driven scheme, so the numbers fluctuate according to the demand from employers. There has been rapid growth in recent years, but it is not a capped scheme; it is not set by the government.

Senator PAYNE—I understand that, Minister, but it does have an impact on demand.

Senator Chris Evans—Sure, it does. I just wanted to make the point that it is now quoted that there will be 100,000 this year, as if somehow that is some government figure. It is not.

Senator PAYNE—You may have contributed to that by incorporating it in your press statement.

Senator Chris Evans—We try to give the whole picture. I just thought I would make it clear for the record. I try to be open with people that that is the sort of figure that we think we are going to end up with, but I want to make it clear that is an uncapped scheme, as it was under the previous government. What we have set is the permanent skilled migration program figure—so that figure is certain, if you like, if we meet the target. The temporary skilled migration program is demand driven.

Senator PAYNE—But in relation to demand on housing, you cannot consider them in isolation.

Senator Chris Evans—No.

Senator PAYNE—Okay.

Senator Chris Evans—I just wanted to put that on record.

Senator PAYNE—I understand. I have been sitting in this room with Mr Metcalfe for some time now so I do understand the difference between the two schemes.

Senator Chris Evans—Senator, I knew you did. I keep reading about it in the paper, as if it is a set program.

Senator PAYNE—They should spend more time in estimates. It is probably appropriate punishment, frankly.

CHAIR—There is a standing order that prevents questioning at estimates when there is a select committee looking into the same or similar topic. As chair, I have provided the liberty to continue with this questioning. I think we are actually talking about housing for migrants.

Senator PAYNE—That was what I was talking about, which I do not believe is in the terms of reference for the select committee—which, fortuitously, I chair, Madam Chair.

CHAIR—Senator Payne, I am clarifying that to assist you in this line of questioning, because I believe the Senate select committee goes to housing affordability. I want to clarify this for the record in case there are people looking at this *Hansard* record and wondering why we might be talking about questions to do with housing when there is a Senate select committee into this issue and the standing orders are very prescriptive about questions that can or cannot be asked in relation to this. But, as chair, I will allow you the liberty to continue to ask questions in this line.

Senator PAYNE—Thank you, Madam Chair.

Senator Chris Evans—Can I indicate that we are happy with that ruling and we are happy to try and be cooperative, so we will give what information we can.

Senator PAYNE—Thank you, Minister. Thank you, Madam Chair.

Mr Hughes—Obviously all immigration over the years has had an impact on housing because newcomers to the country draw on the housing and accommodation stock. It is one of a variety of impacts on the migration program overall. Generally speaking, the assessment of Treasury is that the increase in immigration boosts the labour force and makes up for labour force shortages that the country is increasingly facing as a result of both the demographics and the fact that the natural growth in the workforce will start to decline rapidly over the next few years. The combination of that, as identified in the Intergenerational Report, and also the current economic conditions indicate that immigration is needed to fill that gap in the labour force. It is also the assessment of Treasury in this context that, therefore, immigration will help to reduce inflationary pressures. To the extent that it does that, that presumably should have a benefit in relation to housing. Also, in terms of housing stock and housing shortages, one of the complaints that we hear is that there is a shortage of people in the construction and related industries to increase the size of the housing stock, and I think immigration has traditionally made a contribution to provide the skills that are necessary to increase the housing stock.

Senator PAYNE—Perhaps I could put the question more simply. As I understand the initiative, it adds an additional 31,000 skilled migrants to the 2008-09 migration program. Where are they going to live? We are underbuilding by 30,000 dwellings a year already in this country.

Senator Chris Evans—Senator, they are going to live in the same places that the one million people who came in under your government are going to live. The permanent migration program is not an invention of the current Labor government. Under your government we ran very large permanent migration programs. It is to your credit.

Senator PAYNE—Indeed—a proud record.

Senator Chris Evans—Your Prime Minister hid his light under a bushel a bit in this regard and might have convinced some Australians that we never had any migrants during his term but I can assure you—and I will double-check the figures—there would be close to a million people brought in under the previous government on the permanent migration scheme, who all had to be housed. And they may well have made a contribution to the current housing crisis and you are right to express interest in the public policy issue about how next year's intake—the first intake determined by this government—will impact on that problem. It is a real problem. It is one of the reasons why housing has been a key focus for this government.

The other point I make just in passing—again for the record and I do not have much luck in getting this up in the public arena—

Senator PAYNE—We are happy to facilitate that, Minister.

Senator Chris Evans—is that 72,000 permanent residents of Australia left Australia last year. For every two that came in, one left. I will double-check the exact figure—my memory is that it is in the order of 72,000. So 72,000 people—people who are Australian citizens or permanent residents or people who indicated they had decided to live here permanently—left. So two came in and one left. When we are talking about the whole picture we have actually got to take that into account. But you are right, Senator, as there is huge pressure on housing in this country. One of the things I am looking to respond to is the Housing Industry Association's call as to the fact that they cannot get building tradesmen. One of the things I have been pressing the department on is our trying to be responsive in this year's program to the need to find construction workers in the trades in particular—bricklayers, carpenters et cetera—and make the program meet those skill shortages in Australia.

Senator ELLISON—What about the scheme bringing in 6,000 workers from the United States, which the HIA was talking about? Any views on that while we are on the subject?

Senator Chris Evans—You might have noticed as to the proposition, Senator Ellison, that most of the risk for the employment of those persons was to be carried by the Commonwealth government. We have indicated to them that, while we are happy to cooperate in the provision of tradespeople to meet those needs and to work with them, their proposition perhaps might have had the look of an ambit claim where they are talking about the employment nature, housing and small contractors et cetera. The suggestion largely relied on the Commonwealth providing a great deal of resources and carrying a lot of the risk of bringing those people in. We are keen to work with them, but I think it would be fair to say that we are unlikely to adopt the proposition in the form that it was originally proposed.

Senator PAYNE—Minister, in your statement of 13 May you refer to costs in settlement services and ongoing core government services such as health, education and employment services. I assume those costs are determined in consultation between the relevant departments. Is there any consultation between this department and the relevant department in

relation to housing issues about accommodation matters for both temporary and permanent migration?

Senator Chris Evans—I will let one of the officers deal with the specifics. Certainly it has been a subject of conversation between me and other ministers. I know it was one of those issues considered as part of the deliberations of the government in framing the budget. But, as you know, there are a large number of initiatives in the budget that looked at the housing issue and attempted to help alleviate housing pressures in the economy. The budget had quite a focus, as you know, on the housing issue and on delivering on a number of commitments made by the government in the housing area during the recent election campaign. In terms of department-to-department contact, I think Peter Hughes is best placed to answer.

Senator PAYNE—Thanks, Minister.

Mr Hughes—As usual the Commonwealth department with housing responsibility is involved in the IDC process which helps to formulate the annual migration program and has input into the process.

Senator PAYNE—So I can ask them further questions about that?

Mr Hughes—You can.

Senator PAYNE—Given there are four select committees currently operating within the Senate—one on agricultural and related industries, one on housing affordability in Australia, one on state government financial management and one on regional and remote Indigenous communities—considering your helpful advice earlier, for which I am grateful, through you, Chair, and for the committee's benefit, could we seek advice from the Clerk of the Senate in relation to managing the asking of questions at estimates committees that pertain to those select committees? It occurs to me that, if applied strictly, that is a very difficult process to manage in the contemplation of Senate estimates, so I would appreciate formal advice from the Clerk of the Senate on that.

CHAIR—Yes, thank you, Senator Payne. I think you are right. The secretary and I certainly had a discussion about this when a matter was raised in the last two days, and it may potentially hold some problems in particular for estimates that are coming up next week. So we can certainly contact Mr Evans about that.

Senator PAYNE—Thank you, Madam Chair, I appreciate that.

Proceedings suspended from 10.41 am to 10.55 am

CHAIR—I call the committee to order again. We are continuing with questions in this estimates committee. Senator Barnett, have you have still got general questions?

Senator BARNETT—Yes, I have quite a few, actually, focusing on the extra skilled migrants that are being budgeted for. I notice in the budget papers that the increase in the migrant intake would result in revenues of \$2.9 billion over the next four years, mainly due to a forecast increase in tax revenues. I am very interested to know where the additional skilled immigrants are going to go—where they are going to work, firstly. Then we will look at the geography, where they are going to go around the country. In terms of occupations, could you provide some precise numbers for us as to where you anticipate them being occupied?

Mr Metcalfe—I will ask Mr Hughes to answer in more detail, but the majority in the skilled migration program are people who enter under what is called general skilled migration. Occupations and people qualify, on the basis of advice from the Department of Employment, Education and Workplace Relations, on a list known as the Migration Occupations in Demand List.

Senator BARNETT—Is that the MODL list?

Mr Metcalfe—Yes, MODL. So we can certainly talk about what has happened historically, in terms of who has qualified under the skilled program, and about trends, in particular occupations and the occupations that are currently on the MODL. But the ultimate outcome, a very precise figuring of what will happen in the future, is of course uncertain because it depends, frankly, on how many people apply and on the particular occupations that they apply from under that suite.

Senator BARNETT—Sure, I understand that, but budget papers have been prepared. They have got numbers, and there is the \$2.9 billion I have referred to. You have made assumptions. Assumptions have been made by this government with respect to the increased numbers and what benefits will flow through in terms of the tax and other benefits—fiscal impact—so I am asking for details, specifically in terms of the occupations on the MODL and the different categories of the MODL. If we could work through that, it would be appreciated.

Mr Metcalfe—Senator, as I said, I was trying to provide a contextual statement.

Senator BARNETT—That was helpful.

Mr Metcalfe—Of course, the assumptions that go into that figure were owned by the Department of the Treasury, and I know that you will follow that up with them. We do know, in average terms, about the employment rate of people who arrive under the skilled migration program, and there is information about their average income and, hence, tax benefits and whatever would be able to be calculated. You also asked about where they will go. Australia is a free country, and people will go largely where they wish.

Senator BARNETT—Can we come to that question second? Can we just deal with the first question?

Mr Metcalfe—Okay, we will take them in turn. I will ask Mr Hughes to firstly provide some advice about the sorts of people who are coming under that skilled migration program and will then take further questions from you.

Senator Chris Evans—Chair, I think we raised this last time. We ended up jumping from program to program, and I think it slowed the committee. From the government's point of view, this is a question of how the opposition use their time.

Senator BARNETT—We can deal with it now or under output 1.1. It flows through from Senator Payne's question, Senator Ellison's question and my earlier question. I am flexible.

Senator Chris Evans—We are happy to answer that one. I only raise it because I think that if we jump around it slows the work of the committee. Last night I saw a lot of frustration from opposition senators on one of the committees that they had not finished the program. I want to highlight that it is up to the senators to organise their time among themselves. The chair obviously assists in that regard. One of the things I certainly found last time is that if

you keep jumping around another senator comes in and asks the same questions later in the program. I am happy for Mr Hughes to answer that question but I do suggest the committee thinks about its discipline because I think that will allow you to do your work better. I offer that as gratuitous advice. It is up to you.

CHAIR—Thanks, Senator Evans. We did try a different format yesterday for the Attorney-General's portfolio. I suggest that this is the time for general questions. If I think that the question is better dealt with in a particular output, I would welcome officers saying, 'We won't answer that now; we will deal with that when we get to the particular output.' That does not waste your time, and it will streamline the questioning. We ask if you could also assist by suggesting—

Mr Metcalfe—My advice, Chair, is that this question is very firmly in 1.1—but we are at the committee's disposal.

Senator BARNETT—I am more than happy to go down that track.

CHAIR—Thanks, Senator Barnett. As the chair, my decision is that we will leave that to output 1.1. I am hoping that that will also make the day run a little smoother. We will have general questions and will rely on you to tell us whether or not it is better dealt with within particular outputs.

Mr Metcalfe—Thanks, Chair.

Senator ELLISON—Madam Chair, I will go to funding over forward estimates. Page 58 of the portfolio budget statement lists what I believe is the expected revenue over the forward estimates. When you look at that, there seems to be a decrease in the revenue. Am I correct in that understanding?

Ms Prothero—The decrease is primarily due to a change in accounting treatment of certain revenue. We have transferred certain revenue from departmental revenue to administered revenue to better reflect the nature of the work. That relates to some \$85.9 million moved for the detention contract and offshore asylum seeker management money of some \$50.6 million, and the IHSS has moved some \$70.3 million into administered revenue. It is effectively an accounting treatment rather than a decrease in resources available to the department overall to deliver on its outcomes.

Senator ELLISON—So if you add administered revenue to the departmental revenue, as you term it, then in the out years you will come to much the same figure.

Ms Prothero—And there will be a slight increase to reflect the growth in activity levels.

Senator ELLISON—Could you explain the difference between departmental revenue and administered revenue? You gave an example of the detention centre, which went part of the way.

Ms Prothero—Basically, it is linked primarily to the element of control. To the extent that the department can actively control the resources it becomes departmental, so staffing costs, travel costs, and those sorts of things are generally departmental. Things that are more outside the control of the department—for example, payments for the detention contracts, IDCs and those sorts of things—are treated as administered.

Senator ELLISON—In relation to absorbed costs, if you look at Budget Paper No. 2 at page 251, there is a measure entitled ‘Department of Immigration and Citizenship—enhancements to liaison and operational capability in the Middle East’. It says:

The Government will provide \$13.7 million over four years to increase Australia’s operational and liaison capability in relation to immigration matters in the Middle East region.

That is going to be met from existing resourcing. How is that to be done? I am looking at the question of absorbed costs, and this was one particular item I was interested in.

Mr Metcalfe—I will ask Mr Fox, who is the relevant first assistant secretary in charge of our overseas operations, to respond.

Mr Fox—We are going to implement that measure. We are going to look at the best way in which we can implement it over the coming year and over the period of the forward estimates. We will be increasing the resourcing that we have for locally engaged staff in our Amman office immediately. In the next couple of months we will open a visa-processing office in Riyadh in Saudi Arabia. We will place an extra Australian based officer in Ankara in Turkey as part of that measure, then we will look at what capacity we have to move resourcing from our official network to further supplement our resource in Amman, based on the demand that we will assess as coming out of that region.

Senator ELLISON—Perhaps I will refer to more detailed aspects of that area later during estimates. Where else are costs being absorbed?

Ms Prothero—Costs have been absorbed in a number of areas across the organisation. There were election commitments in relation to the Australia-China Free Trade Agreement, to the Australia-Japan Free Trade Agreement and to absorbing costs associated with the values statement of the citizenship test. Some departmental funding for the displaced Iraqi fund was absorbed, as well as the costs of administering the Adult Migrant English Program. There is also a decision in relation to visa options for superyachts and visa arrangements for touring musicians. They are the primary ones.

Senator ELLISON—Has it been determined how those costs will be absorbed? I have just asked Mr Fox in relation to one particular area, and he said it is an ongoing piece of work, if you like.

Mr Metcalfe—That is correct. I mentioned before that, now that the budget has been finalised, the department is actively moving to a process of seeing exactly how we should distribute internal budgets. These elements of tasks that have been asked of us will be taken into account in that process.

Senator ELLISON—I appreciate you cannot give that information now, but could you take on notice the question as to how those costs will be absorbed in the areas that have been referred to, even if it is beyond the appointed date for return of answers.

Mr Metcalfe—I thank you for that. It does not necessarily follow that the area concerned would absorb those costs. Basically, we are working through the establishment of internal departmental budgets, and one of the aspects that we are examining is whether the area concerned should absorb those costs or whether they should be absorbed more generally across the organisation as a whole. That is a usual process and will lead to the establishment

of specific budgets for branches, divisions, state and territory offices and the overseas network in the coming weeks.

Senator ELLISON—I want to clarify the evidence that has been given about areas such as Australia-Japan free trade, Australia-China free trade, the values statement and other areas. Am I right in understanding that a decision has not yet been made about whether the costs will be absorbed in those areas and that once that decision has been made you will work out how it will be done?

Mr Metcalfe—Given that we have our overall funding envelope for next year, with the exception, as I said before, of the finalisation of the resourcing agreement issues, we are now looking right across our internal funding as to where funds should be allocated—to particular areas of the department, to divisions, to state and territory offices, to the overseas network. That is a careful balancing of activity levels, of priorities and of measures that are expected of us from government, and it is an issue that will be finalised over coming weeks.

Senator ELLISON—The question as to the decision, if and when it is made, as to where those costs absorptions will take place should be taken on notice

Mr Metcalfe—I do not want to be unhelpful, but I do not know if I am making myself clear. I do not expect that there will be any clear correlation between an area that is required to absorb a particular measure and a reduction in its budget. To take one example, we estimate that the absorption of our work in relation to the Australia-China Free Trade Agreement will involve a couple of hundred thousand dollars—a relatively small amount. That work will be done within the Migration and Temporary Entry Division. Whether that division's budget is reduced by that \$200,000 and the division is asked to absorb it or whether that is an amount of money that is simply absorbed across the entire organisation is the sort of consideration that we are now undertaking. I do not anticipate that there will be a direct correlation between a particular business unit within the department and the requirement to absorb a particular measure. We as a department have to absorb these measures as well as the efficiency dividend, we have to pay for pay rises, we have been given additional funding in some areas and those measures are now the subject of detailed work in establishing overall divisional budgets. So I do not think the piece of information you are asking for will exist. What exist are budgets that are set across the organisation and take account of all of that series of measures that I have mentioned.

Senator ELLISON—Insofar as they can demonstrate how the costs have been absorbed—can you take that on notice? Mr Fox gave some examples of what was happening in the Middle East. He also gave an illustrative example, if you like.

Mr Metcalfe—He gave you half an example, with respect to Mr Fox. He gave you the example of how we would meet the requirement, but he did not give an example of where we would make the savings to meet that requirement. For example, supplementing our capability in the Middle East does not mean that we will absorb other activities we are already undertaking in the Middle East; we will have to find that money from somewhere else. It is that consideration that is now underway. I can probably, on notice, describe a process to you, but I would not be able to say, 'That particular \$13.7 million has come from here.' What I

would be able to say is, 'This activity that is now being funded has been funded out of the overall \$1 billion or so of resources available to the organisation.'

Senator ELLISON—So you could not answer the 'where' part of the question that you mentioned earlier?

Mr Metcalfe—I could answer as to where, but only in a very general way. It will be found from within the overall resourcing available to the organisation.

Senator ELLISON—Can you take that on notice, and I would ask you to be as less general as you could possibly be in relation to where that is from.

Mr Metcalfe—As ever, we will do our best.

Senator ELLISON—You can see the reason for my question is to look at where costs have been absorbed, where it will come from and how it will apply. That is part and parcel of the budget estimates.

Senator Chris Evans—I would indicate that he is equally reluctant to give me that sort of visibility on some of these measures.

Mr Metcalfe—That is very unfair.

Senator Chris Evans—It is the case that it is part of the reorganisation of resources internally—I accept that. It is not necessarily able to be nailed down.

Mr Metcalfe—It is in the process of being nailed down. In this public forum I can assure the minister of my complete transparency not only to him but to the committee.

Senator ELLISON—If we can nail it down that would be very good. Thank you.

Mr Metcalfe—I will do my best.

Senator ELLISON—With staffing, can I refer to Budget Paper No. 1 at 6-63. That deals with staffing. You have got 'Department of Immigration and Citizenship' there and it has got at the very top 'Estimates of average staffing level (ASL) of agencies in the Australian Government general government sector'. Under 'Immigration and Citizenship' you have then got 'Department of Immigration and Citizenship' and for 2007-08 you have 7,401 and for 2008-09 you have 7,180, which if I am correct is a reduction of 221 staff. Is that right?

Mr Metcalfe—That is correct.

Senator ELLISON—Where is this reduction in staff going to come from?

Mr Metcalfe—That figure—and I must just point to a small anomaly between Budget Paper No. 1 and the portfolio budget statement—

Senator ELLISON—Is that 225 versus 221?

Mr Metcalfe—That is correct.

Senator ELLISON—That was going to be another question of mine.

Mr Metcalfe—In the spirit of transparency to explain the difference of four, there was a late decision taken in relation to one measure which did not find its way into Budget Paper No. 1 but did find its way into the portfolio budget statement document from the department.

Senator ELLISON—So the 225 is correct?

Mr Metcalfe—The 225 is correct in our view and the only reason Budget Paper No. 1 has that very small error is that it was a late decision in the process and it did not find its way in.

Senator ELLISON—So we are dealing with an even bigger cut?

Mr Metcalfe—I am expecting the majority of those staffing reductions to come from the department's national office in Canberra. Our overall funding position, as you are doubtless aware, reflects several factors and is largely influenced by activity levels where we are funded through a resource agreement from the department of finance and the health check that the minister talked about earlier has resulted in a new resource agreement for the department. That will come into effect with the new financial year, and we are currently finalising the numbers around how much we are actually funded for particular activity levels. That is why the budgets cannot be finally determined within the department at this particular stage. But the general response to your question is that I expect the majority of those savings to come from within the department's national office in Canberra and, indeed, I expect an increase in staffing in our service delivery network where we actually make visa decisions and citizenship decisions and provide services to people.

Senator ELLISON—Can you give us an idea of the classification of the staff, the position names and APS level? Have you got that worked out?

Mr Metcalfe—I do not think we have that level of detail. We have made some estimations of the order of savings that we believe will be necessary to achieve the savings required as a result of the sum of the budget measures, the various 'offs' and various 'ons', and we have made some calculations in relation to the need to transfer some work currently done in the national office to the service delivery network, where it is more appropriately done. That would be a range of positions across the APS levels and executive levels and a number of SES positions. That is my current estimation.

I do not have a final number because we have not yet determined precisely where those positions will need to come from. That is active work currently underway in the department. We have reached some preliminary views as to areas where we might be able to make some savings through the amalgamations of branches or sections, but the executive has not taken any final decisions on these issues yet, and of course this is an issue that I would continue to consult very closely with the minister on as well.

Senator ELLISON—You say 'largely from Canberra'—have you determined where else other reductions might be?

Mr Metcalfe—No. The figure that I see will come largely from Canberra. We are taking the opportunity of the health check implementation process to do something that we have been doing for some time and that is to see whether we can more effectively create areas of activity within particular state offices. Recently, the minister announced, for example, that we would create three centres to ensure the most efficient processing possible of 457 visa applications—one in Sydney, one in Melbourne and one in Perth. That will mean that we have capacity in some of our other offices that we can use for other reasons. For example, we are looking at concentrating other areas of work in some of those other offices. Bringing work together in that way has been happening now for some years. It provides efficiencies and economies of scale and more certainty in relation to outcomes and is certainly part of our

agenda to provide the most streamlined efficient service to our clients and business. The best example of a centre like that is in fact in Adelaide where the vast majority of skilled migration work is actually done.

Senator ELLISON—When do you think you will have this assessment done in relation to where the reductions will be made and the level at which—

Mr Metcalfe—I expect a final decision will be made over the next few weeks with a view to setting internal budgets early in the new financial year. It is an area that we are spending a lot of time on to get this right.

Senator ELLISON—Could you advise the committee when that decision is made. I appreciate the time for answering questions might conflict with that, but if you could advise the committee of that decision when it is made—the level of classification of the staff involved, the positions within the department and the location. When I say ‘location,’ I mean geographic as well.

Senator Chris Evans—I am happy for the secretary to provide what he can, but I do want to make the point, which I think he made, and that is the total staffing will reduce by those numbers. That is the plan but, as you would appreciate, there are a range of other drivers occurring. Firstly, new government’s priorities; secondly, the health check initiated by the previous government is driving a lot of change. The current employment level is 7,500 employees. I guess all we are indicating is that there are a range of different drivers of change: the budget drives some of it; policy changes drive some of it and there is the health check, new policy initiatives et cetera. So the secretary will try to be helpful. The budget figure reflects the impact of the budget, but if you want to follow each staff classification it will not be that easy because, for instance, the changes in the 457 process will result in staff moving around into different centres or doing different work. The secretary has obviously taken it on notice and will give you what he can. It will not be a simple case of saying, ‘There are 33 jobs here at these classifications out of this section.’ I just want to make sure you do not think you are going to get information as clean-cut as that, because it will not be that clean-cut.

Senator ELLISON—You have estimated 225 staff is the cut and they are largely in Canberra, so you would be able to say how many came from the Canberra office, for instance, no doubt.

Mr Metcalfe—Certainly, I will be as helpful as I can, but the minister is absolutely right. What I actually have to achieve as chief executive is an appropriate budgeting outcome, and staffing is certainly one of the most significant areas of expense of the organisation for obvious reasons. I am focused on achieving the correct financial outcome. That will inevitably involve reductions in staffing in Canberra and changes to staffing in a number of our other centres. But there are other ways that we can try to reduce costs as well. For example, we have some very big IT programs underway. They have largely involved large numbers of contractors to undertake the work necessary. We have an active program of seeking to convert people employed as contractors into employees of the department, which would actually mean an increase in staff of the department but a reduction in contractor costs.

Unlike the old days, 30 years ago, where it was a bit simpler to say, ‘We’ll abolish this position,’ or whatever, we are now dealing with a complex series of drivers; a series of new

policy, which has brought funding with it; a series of savings and areas for absorption; a new resource agreement; a desire to ensure the department is organised optimally to provide services both here in Canberra and to our service delivery network; and looking for other ways to drive efficiencies through the organisation. In summary, we believe the net result of the budget measures, in both the additional estimates and the budget itself, mean around 225 staff savings across the department. And it is my firm expectation that the majority of savings of staff will happen in Canberra, but to give you the sort of precision you are looking for, I think, will be difficult.

Senator ELLISON—If I can refer to a particular reduction in staffing, Budget Paper No. 2, on page 384, refers to reduced Australia based staffing. It says:

The Department of Immigration and Citizenship has a presence in 68 posts—
that is, overseas—

where it engages around 163 Australia-based and 869 locally engaged employees. This measure will result in an on-going reduction of 16 Australia-based officers.

How will that work? Is it a reduction in Australian officers based overseas?

Mr Metcalfe—Correct.

Senator ELLISON—Is this part of the 225 staff reduction?

Ms Prothero—Yes, it is.

Senator ELLISON—It is a finite number and you have got those finite posts; have you determined which posts will suffer those losses?

Mr Metcalfe—Yes.

Senator ELLISON—Can you tell us which ones they are?

Mr Metcalfe—I will ask Mr Fox to help you with that.

Senator ELLISON—And the numbers at each post?

Mr Metcalfe—The numbers remaining at each post?

Senator ELLISON—If the reduction is 16 at 68 posts. Can you tell us the posts where there is a reduction and the number at each post where there is a reduction.

Mr Fox—I will run down the list of where we will be looking to reduce our A-based presence. Those posts will be Athens. We will be reducing that by a total of two A-based staff, and we will be operating that as a satellite post without any A-based presence. We will be looking at two staff in Bangkok, one in Beijing, one in Beirut and one in Dubai. We will be looking at a consolidation of our regional structure around Europe so that we will lose one from either London or Berlin. We will be looking at two from Kuala Lumpur, one from Manila, one from Shanghai, one from Suva and one from Taipei. I think I said two from Bangkok—that should be a total of three positions in Bangkok.

Senator ELLISON—Is that the lot?

Mr Fox—Yes.

Senator ELLISON—Have you determined the positions that will be made vacant in relation to these reductions? What sort of work are these people doing who will be recalled to Australia?

Mr Fox—They have been doing a range of work. We have three main streams of work in our overseas network. We have what are called operations which is responsible for visa processing, including assessing the integrity of the visas. We have what is called a compliance stream, which is involved, again, in looking at the integrity of the visa stream and relationships in our offshore network. We have airport liaison officers whose function is to work at the airport to ensure boarder integrity is maintained. We will be looking at reductions across all three streams. The breakdown is around 11 positions in the operations stream, three in the compliance stream and two in the ALO stream.

Senator ELLISON—In the operations stream, what sort of work do they do?

Mr Fox—It is a range of work, including issuing visas, assessing visas, dealing with requests for further information from those visas that are processed onshore in Australia. Of course, the vast majority of our skilled migration program is actually processed in Australia rather than overseas.

Senator ELLISON—You say the vast majority of the processing of the visas for the skilled migration program is done in Australia?

Mr Fox—Yes.

Senator ELLISON—But we have to obtain information overseas in relation to qualifications, health checks, security and other things of that sort. That would be carried out by the Australia based staff, would it not?

Mr Fox—Not exclusively. It may also be carried out by our locally engaged staff or it may be that we seek information within Australia as well.

Mr Metcalfe—You used the words ‘health checks and security’. Of course, security checking is done by ASIO, so there is no impact on that arrangement and health checks are done by a network of panel doctors who we supervise and there is no affect there as well. These reductions are coming from some of our larger posts and the work that was done by the A-based staff whose positions are coming home will be reorganised to ensure that we continue to provide the best services we can.

Senator ELLISON—Let us have a look at the reduction. We have 163 Australia based people overseas and we have got some 16 returning, so that is 10 per cent roughly.

Mr Metcalfe—It is 10 per cent of our A-based staff but, of course, we have around 800 local staff as well. Obviously, we use the combination of the staffing numbers and resources we have in the most effective way we can.

Senator ELLISON—When you talk about the supervision of the medical checks, the medical checks are carried out overseas?

Mr Metcalfe—Medical checks are usually undertaken overseas and there are different arrangements as to the clearance of those medical checks. We have a large centre in Sydney where checking is undertaken. We employ a number of doctors to both provide the

reassurance of those checks and to supervise the overseas network of panel doctors who are private doctors, who are essentially accredited by us to undertake the sorts of health checks that are involved.

Senator ELLISON—What level of involvement then does the Australia based staff have in relation to the supervision of those checks, bearing in mind they are made overseas? Is it simply a case you have the check and then the medical certificate is sent to Sydney and they look at it there? Surely, there is some involvement with the local staff at the post to make sure that the doctor is kosher and everything is done properly?

Mr Fox—Yes, certainly our A based staff do conduct visits to our panel doctors to make sure that they are applying the policies that we have in place from time to time. We will also be enhancing that capacity in coming years.

Senator ELLISON—In relation to security, is there any work that is required of A based staff at the posts in relation to follow-ups, background checking which can assist ASIO?

Mr Fox—ASIO does the actual assessments of the security checks. Our staff would collect the information that would be passed to ASIO.

Senator ELLISON—So the footwork is done by the A based staff?

Mr Fox—Not only by the A based; others are involved as well.

Mr Metcalfe—Essentially, we are a method of transmission of the material to ASIO.

Senator Chris Evans—But not security material.

Mr Metcalfe—The applicant fills in the necessary forms and they are transmitted to ASIO, which undertakes the necessary checking. Our involvement in checking is to enable it to occur, but we do not do the checking and none of that will be disturbed as a result of this.

Senator ELLISON—You say the forms are collected; is any other footwork done by the A-based staff?

Mr Metcalfe—No, we do not get involved in security-checking issues.

Senator ELLISON—In relation to qualifications, what work is done there?

Mr Metcalfe—If I can just expand on one earlier answer. You were asking about medical checking: One measure that is funded in the budget, which we were very pleased about, is additional funding—it is around \$2.7 million, increasing to close to \$2.9 million across the four years to enable increased scrutiny of those medical practitioners. So it means that we will have a greater capability into the future to ensure that the medical checking that is being done by overseas panel doctors meets the sorts of standards the Australian community would expect.

Senator ELLISON—I want to pursue that but perhaps not in general questions. But whilst we are dealing with staff reduction generally and the roles they carry out, what checking is done in the overseas posts in relation to qualifications?

Mr Fox—There might be investigations or follow-ups as to the claims made by an applicant. For example, if the application was for a general skilled migration and our people processing that application in Adelaide at the Adelaide Skilled Processing Centre wanted

some verification about the claims being made in the documentation they might seek some verification from our posts overseas. That verification could be done by A base or in some cases by locally engaged staff verifying that the documents are accurate and indeed from a reliable source. So there is a whole range of integrity measures that we might use. Of course, there are other agencies that are involved in recognition of skills, which are through the Department of Education, Employment and Workplace Relations.

Senator ELLISON—A number of people have put to me that they have been told visa processing has been held up because of backlogs at the overseas posts. Is that something which has come to the department's attention?

Mr Fox—Not specifically. Yes, we have had in some posts some processing that has been outside our standards and we have been looking at ways to accelerate that. Some of that comes down to incomplete applications being received that we have had to follow up. Some of that comes down to volumes, particularly at certain peak times of the year in some regions. But there is no across-the-board backlog, as far as I am aware.

Senator ELLISON—Regarding adherence to standards, has that been with locally based staff or A based staff or both?

Mr Fox—Both. Where we have gone beyond standards that is not exclusively opposed to where we have had A based or, indeed, where we have had locally engaged staff.

Senator ELLISON—In relation to the areas where you have made these reductions, you would have a number of those sources being relevant to skilled migration: Beijing, KL, Manila—the Philippines is quite a big one. Are you saying that the reduction of these staff will not have an impact on the processing of visas, especially where we are looking to increase skilled migration?

Mr Fox—At deciding where we would be making reductions we have looked at a range of factors that would influence us. One was the volume of caseload from the area; one was the number of existing staff that we had at posts. For example, I did not want to reduce our posts to a single A based person where possible. We also looked at a range of other risks that would be associated with the caseload in making decisions on where they would apply. I do not think we would say there would be no impact at all by the reduction of the A based staff, but we are certainly looking to minimise that impact by supplementing staff where necessary with short-term missions from Australia on occasions. Certainly we will be looking to apply very much a broader risk management approach to the way in which we deal with cases. On the whole we have taken an approach where the lower risk caseload is where we have taken staff from. I think I mentioned a number from Europe, for example, which are lower risk than the ones you have just mentioned.

Senator ELLISON—In the areas of sex trafficking and people smuggling, we have got some particular initiatives. I think Bangkok was one of them, if I recall.

Mr Fox—That is right.

Senator ELLISON—Does this impact on that?

Mr Fox—No. There is a designated trafficking position in Bangkok and that is not being affected by this change.

Senator ELLISON—And elsewhere? Is there any impact on either of those—

Mr Fox—No. None of the designated trafficking positions have been removed.

Senator ELLISON—In relation to ALO, there is a reduction of two. Where are they coming out of?

Mr Fox—They will be coming out of Manila and Bangkok, but our capability will not be dramatically affected by that. The Bangkok position is one that we had withdrawn earlier in the year. The decision is that we will not be replacing that because we have got some alternative mechanisms for dealing with the ALO case work out of Bangkok including some locally engaged people. Similarly, we have an Australian officer who will undertake that duty in Manila from now on a locally engaged basis.

Senator ELLISON—I know this goes into operational matters. The way we can get around this perhaps would be if you could provide information on how those alternative mechanisms are to the committee in a way that we will not ask you here—maybe on notice or perhaps via a briefing.

Mr Metcalfe—Certainly. If you wanted to seek a briefing on this issue—

Senator ELLISON—We know we are dealing with staff cuts and what I am talking about here—

Mr Metcalfe—I was going to say two things. Firstly, I am reluctant to go into a great deal of operational detail because the very people we are seeking to—

Senator ELLISON—We do not want to advertise our modus operandi.

Mr Metcalfe—I do not know whether they read the *Hansard*, but you just never know.

Senator Chris Evans—Senator, if there are particular issues that you want to get briefed on that are more operationally sensitive, I am happy to organise that. Obviously, you can ask what you want here, but in addition to that if you want me to authorise the secretary to give you a briefing, I am happy to do that.

Mr Metcalfe—The other thing I was going to say is that the ALO network has always been conceived as a quite flexible instrument and we will constantly monitor areas of need and where our efforts may be most productive. While those particular decisions have been taken in relation to those particular places, we will always exercise the opportunity to use the resources we have available in the most effective way, including new airports, more people at one airport and so on and so forth.

Senator ELLISON—In relation to staffing cuts, page 27 of the PBS deals with average staffing levels there for Outcome 1. It talks about a reduction of 6,217 to 6,171—a cut of 46. Is that a correct understanding of those figures?

Ms Prothero—It was done on a pro-rata basis more than a specific item basis in some areas so that where specific measures were being reduced they have been adjusted against specific outputs. However, where there are more general reductions, such as are associated with the efficiency dividend, they have been allocated evenly. This does come back to the answer previously given by the secretary that actually determining where the cuts will come from will have to be determined after the final budget allocation for the department is

allocated following the reconciliation of our activity levels and costs for the 2007-08 financial year, which will occur somewhere in August. What that means is these are indicative of known adjustments and the same general adjustments associated with efficiency dividend measures.

Senator ELLISON—Are these part of the 225?

Ms Prothero—Yes, they are.

Senator ELLISON—You have identified in Outcome 1 that there will be a reduction of 46 staff.

Ms Prothero—That is done on known adjustments for specific measures allocated to particular outputs and then a general adjustment for efficiency dividends and other things. This will actually change once we finalize the outcome of the reconciliation of final internal budgets for next year.

Senator ELLISON—Your answer implies, as did Mr Metcalfe's earlier, that it is still to be determined, although you have, under the heading of Outcome 1, said that 46 will be cut.

Ms Prothero—That is our best estimate at this stage. It has the potential to change significantly once the funding model has been reconciled and final budgets are set for 2008-09.

Senator ELLISON—Similarly, if we turn to page 42 of the PBS it says that average staffing for Outcome 2 will decrease from 1,184 to 1,005—a cut of 179. You would say the same in relation to that—is that correct?

Ms Prothero—Correct.

Senator ELLISON—We have achieved some particularity with outcome—we have got that far. If you can provide that to the committee, that would be good. That is all I have on staffing levels. I do have some other general questions, but if other people have any questions on staffing, I will wait.

CHAIR—Are there any other general questions?

Senator NETTLE—I wanted to ask about compensation in relation to the Solon and Rau cases. Minister, I saw that you had a release about the finalisation of Rau's settlement in the court. Do you know whether she has got the money yet?

Senator Chris Evans—I will get an officer to confirm that but certainly the award was made and I would hope that the money has flowed. I am interested in the answer myself—I assumed it had. Senator Hill once told me that he enjoyed coming to estimates because he got all sorts of things explained to him that he otherwise did not know as minister.

Ms Bicket—My understanding is that the terms of settlement were confirmed by the New South Wales Supreme Court on 7 March and that the moneys have been paid across to the New South Wales Protective Commissioner who was the person acting on Ms Rau's behalf.

Senator NETTLE—Do you know when that happened?

Ms Bicket—I am not sure that I have an actual date of when the money was actually paid but I can take that on notice.

Senator Chris Evans—We can check on that; I will see if I can get that for you today.

Senator NETTLE—I also want to ask about the legal costs associated with Ms Rau's case and whether that had been finalised.

Ms Bicket—It will not be finalised at this point because there are still ongoing matters with the Commonwealth and our contracted provider, GSL. There are still ongoing litigation matters; the matter is not finalised at this point. Our contracted provider, GSL, has added the state of Queensland to the ongoing issues.

Senator Chris Evans—I made it very clear that I would rather the money went to Ms Rau than was wasted on further litigation as we argued the toss about how much she received. We do have ongoing arguments among the parties as to who should pay what but she, if you like, is out of the equation and her claim has been settled. Now the various parties are discussing who is going to meet that liability and to what extent.

Senator NETTLE—So the court case still needs to be resolved between the Commonwealth and GSL and the Queensland government in order to work out the payment of legal costs for Ms Rau?

Ms Bicket—Yes. Our advice from our external legal provider is that it may prejudice our position in terms of those ongoing matters to have a finalised view in relation to costs. But that does not mean there are any outstanding issues in relation to Ms Rau herself. What legal costs we will pay is yet to be determined.

Senator NETTLE—Is the money for Ms Rau in the form of a one-off payment or a pension?

Ms Bicket—I do have a date for the payment; it was paid on 3 April of this year to the New South Wales Protective Commissioner and the sum was made up of \$2.29 million less sums of \$50,000, which was the advance payment which we had previously paid, and an offset of \$260,000, which was in relation to Medicare costs. It was paid in a lump sum.

Senator NETTLE—I also wanted to ask about the Vivian Solon matter and whether there were final costs associated with that, particularly in relation to the legal costs.

Ms Bicket—The only outstanding matter in the Solon case is the question of legal costs. That is still being dealt with between Ms Solon's representatives and us. We are proceeding to what is called cost assessment, which is a process whereby the court can assess what the reasonable costs to be paid are. That is under the basis of the arbitration agreement, which was where, if we could not agree on costs, it would go to independent cost assessment. There has been a range of correspondence between our representatives, the Australian Government Solicitor, and Ms Solon's representatives and we have written—most recently in the last couple of days, again—to Ms Solon's representatives, seeking their revised itemised bill in order to be able to try and expedite the resolution of the matter.

Senator NETTLE—I want to ask about the 247 cases being looked at and the compensation that relates to those cases. I have seen from former detainees the letter they have received, which indicates that they may be eligible for compensation—

Ms Bicket—Yes.

Senator NETTLE—Can you tell me how many of those sorts of letters have gone out.

Ms Bicket—There have been 149 of what we would call first contact letters sent to people within the 247. That is all people for whom we have current contact details. There are 121 people that we have had confirmed direct contact, with either through those letters or through some other contact with the department. There are in the order of 122 others that we are still seeking to try and progress contact with. I believe that 63 of those are people who are outside Australia, and we are pursuing a range of measures to try and obtain contact details for that remaining group of people so that we can advise them as well. Of the 121 that we have been in direct contact with, 54 have been sent a second letter which is an invitation to them to seek some legal advice, as they may be entitled to compensation.

Senator NETTLE—Of those 54 people who have been sent the letter about legal advice, how many have responded to you, to date?

Ms Bicket—As of today I believe that 27 have indicated that they have retained legal assistance.

Senator NETTLE—Okay.

Ms Bicket—There may be a few others that are already ongoing matters and the like, but I would have to take that on notice to just make sure there are none additional to that 27.

Senator NETTLE—Have any of the claims for compensation under this category—the 247—already been dealt with?

Ms Bicket—Yes, they have. There are already 19 persons who either are in some form of formal negotiation process or court process with us or have had their matters resolved. There have been eight matters which have been settled through negotiation, one matter which has been struck out by the court and there are 10 ongoing matters. We are also close to making offers in a number of other matters as well.

Senator NETTLE—Has the department—or maybe it is another section—got a budget associated with the payment of compensation for these cases?

Ms Bicket—No. The payment of compensation comes out of our insurance arrangements with Comcover, as the Commonwealth insurer.

Senator NETTLE—Would they have a figure?

Ms Bicket—Yes, there would be a total figure at some place. Let me just check to see whether I have any indication of the figure thus far. What I have is that, of the eight cases that have been resolved of the 247 at this point, the total compensation—and this is only an approximate figure, because some of it includes legal costs as well as compensation items—is in the order of \$620,000.

Senator NETTLE—Is there a formula about a standard amount for days, months or years that people were in detention when they should not have been?

Ms Bicket—No, there is not. As with most civil litigation cases, they very much turn on their individual circumstances—looking at the totality of the case, the duration and the circumstances on which their detention may have happened. It is important to understand too that not all people within the 247 were unlawfully detained. At this point—while there are still

a few cases where we have to complete remediation action plans—for at least 35 of the people within the 247 it has been determined that they were not unlawfully detained.

Senator NETTLE—Is there a figure for how many were unlawfully detained?

Ms Bicket—Of course with ongoing matters we cannot necessarily concede liability. What I would say is that, of those matters that we have reviewed, we believe that there is some risk of legal liability in 135 matters.

Senator NETTLE—How many staff are working on this issue within the department?

Ms Bicket—It fluctuates from time to time. I have a remedial action team working in my litigation branch. It is headed by an acting principal legal officer, which is an EL2 equivalent. At the present time—while I would have to check exactly how many—my understanding is that there are three legal officers working within that unit, with some appropriate administrative support.

Senator NETTLE—I want to ask another general question in relation to climate refugees: is there any update to give the committee on the work that the department or the government are doing on the issue?

Senator Chris Evans—Apparently Mr Hughes is the world expert.

Mr Hughes—I will not claim to be that, but we have had discussions on this in the past. I think one issue in another portfolio that you are probably aware of, Senator Nettle, is government commitment to funding for the Pacific climate change strategy, which is not through this portfolio. The one new thing I can add to what I said to you in February is that, through the Commonwealth-state officials process for immigration and multicultural affairs, there has been agreement to a research project to do a literature survey on literature relating to climate change and displacement of people in the Pacific. We expect that to be completed throughout this year.

Senator NETTLE—Who is involved in doing that?

Mr Hughes—The Commonwealth-state officials and ministers process for immigration and multicultural affairs has a small joint research capacity, where there is a small program of research usually agreed to every year. I am not quite sure precisely how we will implement the decision to do it, but I think primarily it will be done by officers of our department in conjunction with interested states and territories.

Senator Chris Evans—Can I indicate that the question of climate change and climate refugees is on the agenda for our ministerial council meeting on 4 July. Obviously all the states are represented, but also New Zealand is attending. So there is some interest in that area, and it will be considered as part of that meeting as well.

Senator NETTLE—That was immigration ministers?

Senator Chris Evans—They are more multicultural affairs ministers in other states that have immigration responsibility. The New Zealand representative will bring with him immigration responsibilities, but the state ministers are generally responsible for multicultural affairs; those interested in settlement and those sorts of issues.

Senator NETTLE—The other question I have, which I think is general, is about the Afghan housing project. I asked at the last estimates where that was up to and the answer was: It looks like we are getting very close to digging the hole.

Mr Metcalfe—This is probably something we could pursue in 1.2 as well.

Senator NETTLE—All right. I want to ask about the contract with GSL running out and government policy in relation to that. We have had discussion before about whether the government was intending to continue to have privately run detention centres or was looking at making those public.

Mr Metcalfe—I suggest dealing with that in 1.3.

Senator Chris Evans—Nice try, Senator Nettle, but you are going to have to follow the order.

Senator NETTLE—That is all right.

Senator ELLISON—On the question of research, page 15 of the PBS, in the second-to-last paragraph on the page, talks of issues that are central to the department's strategic and operational planning and that this 'will be supported through a strengthening of our research capacity'. What is meant by that?

Senator Chris Evans—I will let the secretary answer in more detail, but I can say in broad terms that I have been disappointed in the research capacities of both my department and DEEWR in this area when seeking good evidence based information on immigration related issues and employment related issues. I have certainly asked for us to beef up our capacity for research.

You might recall there was a research capacity under the former organisation, called the Bureau of Immigration, Multicultural and Population Research, which I think was abolished in the Howard government's 1996 budget. Therefore, a lot of that capacity was ended and has not been replaced. I am not intending to recreate that body but I am keen on driving a greater commitment to research. It in part reflects that policy priority from the government.

Mr Metcalfe—That is correct. The department has relatively limited research funding at the moment. Following the abolition of the Bureau of Immigration, Multicultural and Population Research in 1996, the department retained some funding to continue to undertake a longitudinal survey of migrants. That has been important. We have identified small pockets of funding over the years, but it is fair to say that there is not comprehensive or well-planned research in the portfolio apart from the longitudinal survey. The government has made its expectations very clear: policy should be based on clear evidence and research. This is an area where we are seeking to grow our capability.

Over the last few years there has been a pleasing increase in research in the general area of immigration and demography. There are a number of world-class demographers in Australia and there are now some private think tanks that are providing funding to some of our universities in this area. In developing a greater research capability, we would obviously seek to work closely and leverage the capability that exists elsewhere in the system. That is an area that, like all of those other aspects of our resourcing, will be the subject of some discussion within the portfolio over the coming weeks.

Senator ELLISON—In relation to special appropriations in another area, I refer to page 99 of Budget Paper No. 4. While you are looking for that I will ask a quick and easy question. Since the last estimates, has any legislation been drafted, and is any currently being drafted?

Mr Metcalfe—There has certainly been legislation in the form of regulations drafted. In terms of principal legislation, the government is currently considering its forward legislation program and it is an issue for the government as to what might be included in that.

Senator ELLISON—So, regulations have been drafted?

Mr Metcalfe—Yes; there certainly have been various changes to regulations. If you would like more detail I could get one of our legal experts to come and give you some information about that.

Senator ELLISON—If you could take that on notice and provide it to the committee, I would be grateful.

Senator Chris Evans—It is very much an ongoing process in this portfolio, as you know, Senator—with its complexity and size.

Mr Metcalfe—Yes. There are 2,000 pages of it, and it changes quite regularly.

Senator ELLISON—The legislation question is more from a Senate management point of view.

Senator Chris Evans—It is fair to say that the previous government had drafted a bill in relation to some of the 457 measures. We will be proceeding with a bill which will pick up some more of those measures and some additional ones that were detailed in the budget. I am not sure where it is at in the drafting stage.

Mr Metcalfe—We are currently developing detailed advice for parliamentary counsel. That is something that, subject to decisions about priority for legislation, we hope proceeds in the next few months.

Senator Chris Evans—And I hope that the Leader of the Government in the Senate has some influence over getting it up the list a bit, but we will see.

Senator ELLISON—We shall. Going back to the thrilling subject of special appropriations and the Migration Act 1958, page 99 of Budget Paper No. 4 has Immigration and Citizenship Portfolio, the Migration Act 1958, and then it has an amount of money. Where does that come from or what does it involve? It simply says the 'Migration Act'.

Mr Metcalfe—I understand that refers to receipt of funds in relation to the registration of migration agents.

Senator ELLISON—So that is what it is. Okay. Is there anything else involved in that?

Mr Metcalfe—That is it.

Senator ELLISON—In relation to migration agents generally, I understand that instructions or directions are given as to how personnel in the department make visa decisions. Correct me if I am wrong, but is that the case?

Mr Metcalfe—Yes; there are.

Senator ELLISON—Are those instructions or directions made public?

Mr Metcalfe—They ordinarily would be. Most of the criteria for decision making are contained in regulations which are public and which may be supplemented by various other legislative instruments, but the department does have instructions in some areas which are largely made available through an online facility called LEGEND, which provides advice as to how particular decisions might be made. Miss Bicket might be able to provide more detail, but I think I have answered the question.

Senator ELLISON—Perhaps I can assist you further in that. The reason for the question is that a number of migration agents have said, ‘Look, we want to be better informed under the guidelines that the department is operating.’ For instance, in the tax office determinations are made to assist an accountant knowing whether or not a subject is deductible. Similarly, with decisions made by personnel in the department, is there any area in which a directional guideline is made that is not made public? If not, why is it not made public?

Ms Bicket—Not to the best of my knowledge. We are talking here about a very wide range of powers and so forth. As the secretary indicated, the instructions of the department, which are by and large contained in a voluminous document called the *Procedures Advice Manual*, are contained on an electronic database which is publicly available online through LEGENDcom at our website. That is the official departmental repository of instructions to staff on decision-making matters.

Senator ELLISON—So there is nothing beyond that?

Ms Bicket—There may be some matters perhaps that go to national security, or something of that nature, where there might be a confidential instruction. If those matters did exist then they would be listed but they would not be published.

Mr Metcalfe—My memory of the particular section of the FOI Act is a bit dated but I think under section 9 we are obliged to actually publish instructional material—and the *Procedures Advice Manual* on LEGEND would be our compliance with that. Ms Bicket is correct—the only area I can think of where all our instructions may be withheld would relate to national security or security checking.

While migration agents would be aware of the need for checks to be undertaken, they will not be given details as to how those checks were undertaken. That is obviously a matter for the security agencies. Obviously we seek to have a very open and constructive relationship with the migration advice industry through the Migration Institute and so if there are any particular issues that are troubling people then please feel free to get in touch and we will follow them up directly.

Senator ELLISON—Thank you. Minister, you had commissioned a review by Elizabeth Proust. At the time of the last estimates I think you said you had received its report and there had been recommendations made. Has anything further been happening there?

Senator Chris Evans—I have asked the department for a response and they have given me some of it. I have sent that back for further work. It is my intention to make it, and some responses, public. There is a lot of interest in the ministerial intervention area so we will have some form of public consultation and debate about it. I will release the report and maybe an issues paper or something like that and then seek input from those with an interest in the matter, so I am happy to have it out there. To be frank, given the parliamentary sitting

timetable, I think that will happen in July, in the break. It is my intention to release it and consult with those who have an interest in it. It is a subject which everyone seems to have a view on and there is interest in it within the industry so it is only appropriate that we make it available. We will be doing that, I suspect, in July.

Senator ELLISON—On a different subject, did the department have a production team covering the Olympic torch relay in Canberra?

Mr Metcalfe—We had a couple of our media staff getting a little bit of footage. One of the many things we do, in terms of the provision of visas, is to assist foreign cultural exhibitions and entertainers from overseas. We have a particular unit that tries to provide high-level and quality advice in relation to that—and that has occurred for the appropriate visas for the people involved with the Olympic torch relay. We had a couple of our media team get a bit of footage of the relay so that we can use that for internal and external publication processes as to the sorts of work we get involved in.

Senator ELLISON—What sort of publications are they?

Mr Metcalfe—Certainly I would expect that our own internal video newsletter, which we have talked about before, would feature this as an example of the work that we do and how we help things happen. It is the sort of thing that might be used in an annual report as well.

Senator ELLISON—What is the reasoning behind that? The Olympic torch relay would not normally be included?

Mr Metcalfe—It is one of the many activities that the department has helped in some way facilitate. People have come from overseas; we get involved. It is similar to the World Swimming Championships, the Commonwealth Games and all of these big events. The next big one, of course, is World Youth Day. We are a critical enabler in ensuring that people can present, and it is good for staff to see that the work they do results in positive things for the community.

Senator BARNETT—Could the department advise if you have made a request for a regulation 10 authority from the Minister for Finance and Deregulation in the last six months?

Ms Prothero—The regulation 10 authority generally has been delegated to the minister for most things; there are only certain things we would have to go to the finance minister for, and that has not occurred in the last six months.

Senator BARNETT—So the answer is no?

Ms Prothero—To the best of my knowledge, the answer is no.

Mr Metcalfe—I think we are saying, ‘No, we have not asked the finance minister,’ but are we making a comment in relation to whether there has been a regulation 10 authority sought from our minister?

Ms Prothero—There have been regulation 10 authorities sought from our minister.

Senator BARNETT—Let us go to those. Can you provide further and better particulars?

Ms Prothero—I would need to take that on notice. The general sort of thing it applies to is leases of properties, so anything bigger that goes beyond the forward years.

Senator BARNETT—That is why I am asking.

Ms Prothero—I do not have that detail with me.

Senator BARNETT—How many were there?

Mr Metcalfe—We will take that on notice. I can recall that one example, which was additional accommodation for our national office in Canberra, would have required such an authority because it is a 15-year lease, I think. We are a big department; we occupy numerous properties; that is largely where it would happen. We will take that on notice and come back to you.

Ms Prothero—Can I clarify whether you are after just those requests that went to the minister? The minister provides authority for us to apply the delegation ourselves, so are those the particular ones you are after, or are you after all our regulation 10 delegation decisions made in the last six months?

Senator BARNETT—I would like both, please, if you could take that on notice.

Ms Prothero—Yes.

Senator BARNETT—In particular, we are focused on the leases that you sign up for 15 years or more. They are not in the portfolio budget statements. This is a matter of public interest. I am keen, and I think the committee would be keen, to have that information, and I am happy for you to take it on notice.

Mr Metcalfe—On some of those, and certainly the larger ones, there would be an interaction with the parliament through the Public Works Committee processes, as well.

Senator BARNETT—When you do that, please provide the nature of the arrangement, the details and the cost and the duration of the lease and so on. You can take that on notice?

Ms Prothero—Yes.

Senator BARNETT—Thank you. This is a question for the minister in terms of a charter. Do you have a letter of charter from the Prime Minister?

Senator Chris Evans—No. As Senator Faulkner explained at an estimates hearing earlier in the week, I had a discussion with the Prime Minister where we agreed to objectives and benchmarks for achievement of policy and benchmarks for my performance as minister. It was handled in that way. I will absolutely double-check, but I am not aware that I have received a charter letter.

Mr Metcalfe—I think we should check.

Senator Chris Evans—I will double-check and get back to you after lunch. I have just had a moment's doubt in terms of correspondence. Certainly I had a long session with the Prime Minister in which we went through issues of achievement of ALP election commitments and broader directions for the portfolio and had discussion about all those issues. It was a strong interactive process. I will double-check the charter letter question for you.

Senator BARNETT—How are you going so far?

Senator Chris Evans—Damn well, I would say.

Mr Metcalfe—We suggest that the minister should introduce 360-degree feedback so we could have a view as well.

Senator BARNETT—That was what you would call a dorothy dixer, Minister. You have probably gathered that. It was a leading question.

Senator Chris Evans—We have very much in the first six months been focused on the key election commitments. I am pleased to say those key ones—being the ending of the Pacific solution and the resolution of the TPV policy—have been achieved, as well as things like the resolution of Cornelia Rau’s compensation. But there is a lot more to do and there is a large reform agenda, particularly in the economic space in terms of meeting the skills needs of the country. That will certainly be a focus in the next year or so.

Senator ELLISON—Can I just ask a question on the charter letter: you say you have not had one by which to operate over the last six months and you have had discussions with the Prime Minister. Normally the process is that you get a charter letter, the department has the charter letter and it gives both minister and department some guidelines under which they perform and as to where they are going. You have indicated how you sorted that out between the Prime Minister and you, but how does it work with the department—what does the department have to work by?

Senator Chris Evans—I think, first of all, that for some of the discussion the secretary was present, as were representatives of the Prime Minister’s office. So there was that engagement. The secretary provided useful input. Specifically, I set the government’s priorities and directions to the department. I do not think they are complaining about lack of direction or lack of positive engagement from me and my office. As I said, we were very much focused in the first six months on what I would call legacy issues—things that we said we would do differently to you and things we promised in the election campaign. So very much of the first six months was delivering on those election commitments, be it the Pacific solution, TPVs or the superyacht visa. The funding for the Perth multicultural centre was in the budget for the 2009-10 financial year.

Senator ELLISON—It has been delayed by a year, has it?

Senator Chris Evans—Yes. To be honest we will come to that, but that is because we figured we would need the year to plan how we use the money. Anyway, that has been the focus. As I say, the directions to the department come from me. The assessment of how I am going will be made by the Prime Minister—as I am sure you have had experience of, Senator Ellison.

Senator ELLISON—And by the people as well.

Senator Chris Evans—Ultimately by the people.

Senator BARNETT—You indicated that, in your discussions with the Prime Minister, benchmarks and performance indicators were set. Can you advise what they were?

Senator Chris Evans—I do not think it would be appropriate for me to discuss the conversation between me and the Prime Minister.

Senator BARNETT—Okay. The government advised—I think it was in February—that these letters had been drafted. But it appears, from what we heard from Senator Faulkner

earlier in the week, that they have not been delivered. Could you let us know about that after lunch?

Senator Chris Evans—I saw a little bit of the discussion with Senator Faulkner, but I have not had a chance to review the transcript. He is better placed on those issues because he did the PM&C estimates. As I say, I will come back to you after lunch just to be perfectly clear.

Senator BARNETT—Thank you very much. I want to cover a couple of other areas before we break for lunch. We talked about the change in the board appointment process for the RRT and the MRT earlier today. Have there been any other significant changes in process for appointments of people to boards, advisory committees and so on?

Senator Chris Evans—I will get the department to answer on the specifics, but I have not actually made a lot of appointments. We had one set of appointments to the Refugee Resettlement Advisory Council, to which we appointed Mr Bruce Baird as chair—and he is doing a very good job.

Senator BARNETT—A very good decision.

Senator Chris Evans—Yes; it was. I am hopeful that the Liberal Party will take advice and counsel from him on a lot of these issues, as I do. Apart from that and the Citizenship Review Group, I will double-check and come back to you after lunch.

Senator BARNETT—My supplementary question is: could you advise the committee of any appointments to any boards—you have mentioned Bruce Baird's appointment—or advisory committees, or any other appointments that have been made in the last six months?

Senator Chris Evans—That appointment and the Citizenship Review Group are probably the two that stand out in my mind, but I will double-check. Of course, there is the External Reference Group, which I think we covered last time, and Barbara Deegan, the industrial relations commissioner, is doing some work for us on the 457 issues. Again, that has been subject to press release and public discussion. We will get you a definitive list. I think that is it, but I had forgotten Barbara Deegan, so it is best that I get you an official list.

Senator BARNETT—If you could, that would be appreciated. I have a question that we can come to after lunch as well, but Minister, will you be releasing your quarterly survey of the applications that are made for ministerial discretion or intervention. I understand from a press report today that it is expected to be released today. I have not seen your website so I do not know if it has been released today or not, so could you advise the committee if that is the case?

Senator Chris Evans—Yes. I think we will do that under output 1.2. Yesterday, a persistent journalist was given the advice, which I was going to give to the committee today and which is contained in his article, on the number of interventions in the first quarter of the year. It is just advice about numbers considered and numbers intervened et cetera, but I will certainly provide that in answer to questions when we get to output 1.2.

Senator BARNETT—So, you will table the quarterly survey at that time?

Senator Chris Evans—It is not that grand at this stage. It is a set of three or four figures, but I will certainly provide them to you.

Senator BARNETT—All right. It is referred to in the *Australian* today on page 4. Obviously it is of interest to the public and to this committee.

Senator Chris Evans—You will get what he got. I would have normally just given it to the committee. I presumed I would be asked about it. A journalist was persistent, and last night my press secretary asked me, ‘Can I just give it to him?’ and I said, ‘Yes,’ to make his life easier.

Senator PAYNE—We are only slightly offended, Minister.

Senator Chris Evans—There is nothing confidential about it. It was going to be released today.

Senator BARNETT—Is it a quarterly survey? Will you continue releasing these figures every quarter?

Senator Chris Evans—Previously, the ministerial interventions were not reported upon. I think that that is a weakness, given the important role they play in the system. There are a range of processes with regard to ministerial interventions that I find inadequate. One of the undertakings I gave is that I would release the broad figures as to numbers of interventions. Our records on these and our handling of the processes have not been as structured as I would like, and I hope that over time the reporting gets better, but at the moment I have got the department to produce the quarterly figures on the ones that I have handled.

I will deal with this later, but I want to make a note of caution that it is a two-part system, a bit like in Defence, in the sense that often the minister says, ‘I am likely to approve a visa if they pass health and security checks,’ and then it comes back. I want to make the point that the numbers I have been dealing with are actually decisions taken by Mr Andrews, and they have come back on the second pass, so they are not all my own work. I do not say that for any defensive reason other than, like all statistics, if you do not know the whole story, they do not make sense.

Senator BARNETT—I am sure we will get to the bottom of it in output 1.2.

Senator Chris Evans—That will be good because the previous government never released any information on it.

Senator BARNETT—We will look forward to that.

CHAIR—As all the general questions have now finished, we will go to the first output after lunch.

Proceedings suspended from 12.29 pm to 1.32 pm

CHAIR—I call the committee to order.

Senator Chris Evans—Can I just use this opportunity to follow up on a couple of things I said I would get back to the committee on. Unfortunately, Senator Barnett is not here, but I can confirm that the information I gave him prior to lunch was correct. There is no charter letter as I was 99.9 per cent sure. When you get asked at estimates, you always have this sudden nagging doubt, but the information I gave him prior to lunch was accurate. I also want to confirm that when I said I thought there were 72,000 permanent departures from Australia in the last year, 2006-07, not only—contrary to the assistant secretary’s concern—was I close;

I was very close: there were 72,103 permanent departures and there were also 101,610 people who indicated they would be gone for a term greater than 12 months. There were 72,000 who indicated they would be gone permanently, and 101,000 saying they were going for at least 12 months. So you get a sense that we have immigration and emigration going on, that there is a flow of people in and out of the country, and that has increased. On my best estimates at this stage, there were 1,264,000 people who came to this country under the migration programs of the previous government and, hopefully, they were all housed.

Senator ELLISON—Just on the 70,000-odd Australian residents who left, when they re-enter—those who do—they are not classed under the migration numbers, are they?

Senator Chris Evans—No. These were permanent residents and citizens.

Senator ELLISON—We all know that a lot of them come back. When they do come back, do we count them in the migration figures? I would not think so.

Mr Metcalfe—No, they are not counted in the migration figures. There is a separate statistical series known as permanent and long-term departures and arrivals which ignores status but more measures people's intentions that is prepared by the Australian Bureau of Statistics and us. That would probably give you an accurate figure of the net impact of permanent and long-term stay.

Senator Chris Evans—The Kiwis are not counted either in any of these figure sets.

Senator ELLISON—No. It is not a controversial point; it is just for accuracy's sake. That 72,000 is not a net figure if you count against it those permanent residents or Australian citizens who have gone overseas and returned.

Mr Metcalfe—The figures I have seen show that the Australian diaspora is more than a million people these days. Australians are all around the world. But I think the point is that there have been quite large migration programs for some periods of time but net migration reflects the fact that Australians go and live overseas, some permanently and some for particular periods of time.

Senator ELLISON—Where can we look to get that figure of residents and citizens who re-enter?

Mr Metcalfe—If you would like, we could find that figure.

Senator ELLISON—You will take that on notice?

Mr Metcalfe—We will take that on notice for you.

Senator Chris Evans—It is a much more complex picture; that is the only point I am making. We have people permanently migrating and people coming in temporarily. We have people leaving permanently and people leaving long-term temporarily—that is 170,000-odd. We also have the New Zealand flow both ways. For instance, I saw some New Zealand figures the other day and at the moment there is a large flow of New Zealand citizens in, particularly into Queensland, following work and higher wages. That goes up and down. The only reason I wanted to stress that is that it is much more complex than somehow the permanent migration program of the government being announced as if that is all that is happening in movements of people in and out of Australia. It is a complex picture.

Senator ELLISON—My question comes more from the corner of losing Australians overseas—the brain drain. We all know the classic story of the young Australian who goes overseas, works for some years and returns home. A lot of professionals do that; students do it. It is not a permanent loss to the country; it is a temporary long-term loss. We all know somebody who is working in London and is coming back to settle down at some stage of the game.

Senator Chris Evans—Increasingly, though, those patterns are starting to change, from some of the information I have seen and some of the conversations I have had with leading business groups. Increasingly, people are going to Dubai, China, Hong Kong and Singapore and staying for much longer periods. The old English work experience thing is changing to a much more multinational thing and some of them are not coming back.

Senator ELLISON—You always see them in Perth at Christmas time. They always come home to Perth.

Senator Chris Evans—Yes.

Mr Metcalfe—Another fascinating figure in this general conversation is the fact established in Treasury's *Intergenerational report*—the second report last year—which indicated that the Australian workforce will reduce in size in absolute numbers from about 2010-11. So the Australian workforce will reduce and the numbers of people dependent on that workforce will proportionally increase, without the effect of migration. So in an economy which has very high-levels of employment and clear capacity constraints and skills shortages in certain sectors—WA is the best example of that—there is clearly a need for people.

Senator ELLISON—I do not put these questions from that corner. I am just interested in the net loss of Australians.

Senator Chris Evans—As I said, it is a bit hard to get a handle on because there is so much complexity in what is actually occurring. It is quite different from the settled patterns of 20 years ago. That is all from me, Madam Chair.

[1.39 pm]

CHAIR—We will move to output 1.1

Senator BOSWELL—My questions relate to the 457 visa and the announcement that there will be a 3.8 per cent increase in the wages of overseas workers as from 1 August 2008. Minister, are you aware that the repercussions of that will be that the people on 457 visas will be paid more than the Australian workers?

Senator Chris Evans—That is true. Under the system that your former government set up, that is right. That architecture was established by the previous government and it was in operation when we took over. The only change is that, after two years or so—I will check the exact period—without any movement in their incomes and the MSL, we have announced that we will increase the MSL by 3.8 per cent from August, just as the previous government on four or five occasions increased the MSL during its term.

Senator BOSWELL—You are the government now and we are the opposition.

Senator Chris Evans—It is important that you understand the history of this. I thought it might help you before teeing off in an area that you might regret asking about.

Senator BOSWELL—I will not regret asking these questions, but I am concerned that this unilateral decision you have made does not take into account any industrial instruments, such as awards or agreements. The MSL will just go up 3.8 per cent unilaterally.

Senator Chris Evans—No, it is not unilateral, for a start; it is a decision of government. That is how the MSL has been set—by government, as it was set by Minister Andrews previously, although I think the last one was set by Senator Vanstone.

Senator BOSWELL—Do you see the dangers of a blow-out? In effect, what is going to happen is that all wages in the meat industry will have to go up by 3.8 per cent. You cannot have imported workers getting more than Australian workers—and I am sure that you would not want that.

Senator Chris Evans—Nothing has changed. The structure, the architecture is exactly the same.

Senator BOSWELL—No. What has changed is that you have put the wages up 3.8 per cent.

Senator Chris Evans—Yes. I do not remember you raising these concerns with the previous government. But I want to make it very clear to you that the 457 scheme is not a low-wage scheme; it is not a scheme under this government to undercut Australian wages and conditions.

Senator BOSWELL—No-one has ever suggested that it should be a low-wage scheme.

Senator Chris Evans—I just want to make sure that is on the record.

Senator BOSWELL—Let me put it this way: no-one is suggesting that it should be a low-wage scheme.

Senator Chris Evans—But you do not think they should ever get a pay increase.

Senator BOSWELL—I think they should get it, but the pay increases should flow universally through the meat industry. We should not just say, ‘You’ve come in from Vietnam and you are entitled to 3.8 per cent more than Fred Bloggs, who has been working here for 40 years.’

Senator Chris Evans—That is exactly the scheme you established.

Senator BOSWELL—You are the government. You have to—

Senator Chris Evans—I have announced a review of these things because I am concerned about some of them. What you need to understand is that, under the scheme you established when you introduced the MSL, there is one rate across all industries. You are arguing that we ought to pay foreign workers the same as Australian workers are paid, which is the award rate or the industry collective bargain rate. I am interested to hear a coalition senator arguing for the payment of award rates. I look forward to your contribution to the IR legislation, when we seek to achieve some—

Senator BOSWELL—No, Minister—

Senator Chris Evans—All I am telling you is that you cannot have it both ways.

Senator BOSWELL—If someone decides that a guy from Vietnam is worth money and he performs better then he is entitled to more money. Your government has said that it is fighting inflation, that it has a war on inflation, but in making a decision that an imported worker is worth more than an Australian worker it seems to me—and, I might add, it seems to everyone who is interested in the abattoir industry—that you are going to blow wages right up, because you cannot have an imported worker getting less money. It just will not work.

Senator Chris Evans—Are you telling me, Senator Boswell, that currently in the meat industry the 457 workers are on the award rate?

Senator BOSWELL—I am telling you that—

Senator Chris Evans—You do not know, do you? But I will tell you they are not; they are on the current MSL, as established by your government and reviewed by your government. This is your system, which I think has a lot of holes in it and I am committed to a reform agenda. But, if you are saying to me that I ought not to look to adjust those wage rates in the same way that your government did on four or five occasions, I do not understand your change of heart.

Senator BOSWELL—You have to get over the fact that you are in government; you make the decisions.

Senator Chris Evans—That is right.

Senator BOSWELL—All things are born again; all things are created again.

Senator Chris Evans—Yes. And I am very proud of the decision that we are going to adjust the wages for those persons. It is not a low-wage scheme. These are the conditions that apply currently. One of the first things I have done is apply a 3.8 per cent wage increase. As you well know, there are currently concessions for regional employment that allow lower rates—

Senator BOSWELL—Yes, I see that, but this still goes up—

Senator Chris Evans—but it is also important for you to understand that currently 457 workers do not get paid the award rate unless it is higher than the MSL, and there is no change in those arrangements.

Senator BOSWELL—Unless it is higher than the MSL?

Senator Chris Evans—Unless it is higher. A 457 worker brought in is, under most agreements, entitled to the award rate if it is higher; otherwise, we would be undercutting Australian wages and conditions.

Senator BOSWELL—And we do not want to do that.

Senator Chris Evans—No, we do not.

Senator BOSWELL—I agree.

Senator Chris Evans—To give credit to your government, they had that sort of provision. The scheme your government established in part is to ensure that bringing in foreign workers does not undercut local workers and their employment opportunities. If we had lower wages

for overseas workers, they would potentially put Australian workers out of jobs. So the structure that existed under your government has been continued—

Senator BOSWELL—As you just suggested, no-one wants that scenario. But conversely you now have a situation where the imported workers get a higher amount of money than the Australian workers.

Senator Chris Evans—Are you saying this is for the first time, Senator Boswell?

Senator BOSWELL—I am saying since you have been in government these are the—

Senator Chris Evans—Are you saying to me today that the MSL workers are on the same rate as workers on the award?

Senator BOSWELL—I would have thought the MSL workers would have negotiated an agreement with the particular abattoirs they work for.

Senator Chris Evans—No, that is not right. They have to be paid the MSL.

Senator BOSWELL—I know they have to be paid the MSL.

Senator Chris Evans—I am asking you: do you know whether or not that is currently higher than the award?

Senator BOSWELL—Yes, I think the new MSL is higher.

Senator Chris Evans—Is the old MSL, the current MSL, higher than the award?

Senator BOSWELL—I am saying the new MSL is higher.

Senator Chris Evans—No, I am asking you the question.

Senator BOSWELL—I am not—

Senator Chris Evans—I just want to make sure you have your facts straight when you come into the meeting.

Senator BOSWELL—You are in government; you have carried your budget. You have told me why you are doing it, but I am telling you the repercussions are that you are going to have a lot of indecision in the meatworks, where people are getting paid a higher wage. Quite frankly, although there is a bit of sunshine at the moment in the meat industry, the dollar is through the roof and people are finding it very hard to export meat. They are going to be faced with a decision that they are going to have to pay another 3.8 per cent to match wages to those of their other workers.

Senator Chris Evans—You are confusing two issues. I am happy for you to make the argument that you do not think we should give the MSL a 3.8 per cent increase and those workers should not have their wage rates adjusted despite not having them adjusted since May 2006. You are entitled to make that argument. But you are not entitled to claim that somehow this is different from the system—

Senator BOSWELL—I never did. I never have made that suggestion

Senator Chris Evans—that Mr Andrews presided over. I will go back and check the *Hansard* for what you said and whether you came and protested on the five occasions that your government increased the MSL. I will also point out to you that the arrangements in the

meat industry were negotiated by the previous minister, Mr Andrews. He took a lot of ownership of the construction of a labour agreement and resolving the concerns about exploitation in the meat industry. I think he did a better job than you have done in most areas because he actually involved the state governments and the trade unions and got some broad consensus about how to proceed. But, yes, the Labor Party and the Rudd Labor government will defend adjusting their wages by 3.8 per cent after two and a bit years without any movement.

Senator BOSWELL—So you will defend that you are prepared to pay an imported worker more than all the workers that are members of your union? You are prepared to pay an imported worker more than all the meat workers that are under your union stewardship? You are happy to go out there and say to them, ‘Well, I think this guy from Vietnam is worth more than you’?

Senator Chris Evans—No, what we are saying is, if you have a bloke from your home town, he ought to get a chance at the job first. I am not going to bring in foreign workers that compete against him and stop him getting the job because they are cheaper. The logic that you are following leads you to the point where you undercut Australian wages and conditions and prevent local employment. You cannot have it both ways, Senator Boswell, and I am happy to have the argument with you.

Senator BOSWELL—My argument is this: all workers are equal, whether they come from Vietnam or Australia, and they should be paid on their performance, not be paid 3.8 per cent more because they come from Vietnam.

Senator Chris Evans—If you want to have the argument that 457 workers ought to get market rates, I am happy to have that discussion. Part of the review will look at some of those issues. There is no doubt that the MSL introduced and applied under your government was a blunt instrument. For some people it is irrelevant; for the doctor or the engineer who comes in, the MSL of 42 grand does not mean anything. They are not going to work for 42 grand. But for workers in a range of industries, the MSL is the rate at which they get paid, and sometimes that is higher than the local workforce. Some employers complain to me that that makes it too expensive for them to bring people in, but that is the way the instrument has been set up. What you are making an argument for is moving to award rates of pay. That is a debate we will have when we have the review of the 457. I am just making it clear to you that the architecture of this scheme is all yours.

Senator BOSWELL—What happens to the 457 visa holders that are already here? Will they receive an automatic wage increase?

Senator Chris Evans—There are a couple of categories who do not, but it will apply to those existing as well. Perhaps Mr Vardos can give the details. There are a couple different groups that have different treatment because of the contracts under which they were brought in. Or perhaps Ms Daniels can explain.

Ms Daniels—The MSL will apply depending on a number of circumstances. To outline the scenario: of about 70,000 primary 457 visa holders in the country at the moment, about 43,000 or 44,000 will not be impacted because their salaries are already above the MSL. A small number of them fall outside the MSL provision because of circumstances that have

applied in the past. Around 24,000 may need their salaries increased, but, again, it is subject to whether their employers have already increased their salaries as time has gone on.

Senator BOSWELL—I encourage these 457 visas and I say to you, Minister, you have gone the right way by increasing them. In fact, if we do not do something, we will not have a meat industry.

Senator Chris Evans—You also know that I personally intervened to try to make sure we resolved the dispute in Charleville recently. I want people to join the labour agreement and I want to make sure we get proper conditions, both for the local workers and for 457 workers.

Senator BOSWELL—You mention Charleville. I know you have tried to help Mr Duncan and I know he is supported. I take it you have seen his press release?

Senator Chris Evans—Yes. I just saw it at lunchtime.

Senator BOSWELL—He is in a low-end market, I would expect, and he would have a lot of competition.

Senator Chris Evans—I have never seen press releases from employers welcoming wage increases, Senator Boswell. You are more experienced than I am, but I suspect you have not seen them either.

Senator BOSWELL—I think he makes a very valid point.

Senator Chris Evans—Yes; but the alternative is for you to argue that those workers should not have their rates adjusted. How long do you think they should go before the rates are adjusted? And do you think we should make those workers cheaper than Australian workers?

Senator BOSWELL—No. I do not. Definitely not. I think they should be equal to Australian workers.

Senator Chris Evans—What your government did in 1996 was abolish labour market testing. Instead of having to go out and check whether there was an Australian worker who might fill the job, you introduced a scheme where you could bring in a foreign worker. But your government's policy decision was to make that worker more expensive than a local worker so as to protect local jobs.

Senator BOSWELL—You have just done that yourself, by increasing—

Senator Chris Evans—I have continued your policy—that is right. And I am very proud of it.

Senator BOSWELL—You will have to get over it. You are the government: all things are created new and all things are born again at the election. Now let me continue.

Senator Chris Evans—Do not start on the born-again stuff, please!

Senator BARNETT—So you are not born-again?

Senator Chris Evans—I absolutely am not. Most people would think they would not want to see me back, Senator Barnett. Once will be enough.

Senator BOSWELL—Is the minimum salary level on 457 visas in any way tied to an award? Do you consider the award before you increase it?

Senator Chris Evans—No. There is one MSL—I am sorry that is not true—there are about three MSLs: there is the MSL; there is the MSL regional rate, which is lower to take account of the lower costs in the regional area; there is a particular higher rate for IT workers.

Ms Daniels—There is a regional IT as well.

Senator Chris Evans—And a regional IT rate. So there are four different rates struck by the government by regulation which apply. They apply whether you are a doctor in outback Queensland, a plumber or a meatworker. In the doctor's case, it is probably not very relevant; in the plumber's case, I suspect it is probably less relevant than the doctor's case; but, in the meatworker's case, where the wages are below the MSL in general terms, it is a key issue.

Senator BOSWELL—Do you see it as causing a wage blow-out?

Senator Chris Evans—No.

Senator BOSWELL—So you think that Fred Bloggs would be happy to work next to the guy next door who is getting 3.8 per cent more?

Senator Chris Evans—He is today, so I guess he will be on 1 August.

Senator BOSWELL—No. I guarantee what he will say to the boss is, 'How about a bit of equity here.'

Senator Chris Evans—You go explain it to them now why they are on a different rate. Nothing has changed, Senator Boswell—just the rate. The award might have moved last week and, if it did, then the relativity would have changed. All I am saying to you now is that the 457 worker working next to the Australian worker is currently on conditions that are different, have been different since 1996, and the only way they will not be different is if the 457 worker is on the award conditions because they are higher than the MSL.

Senator ELLISON—There is a review you mentioned in relation to this, which we talked about at the last estimates. Where has that got to?

Senator Chris Evans—Barbara Deegan from the Australian Industrial Relations Commission has been appointed—I think it was about a month ago. I can check the dates. Senator Ellison, you remember I put out a press release about it. She has started work. She will be working with an industry working group, which I am about to establish, which will have employer, employee and state government representatives, to work through some of these issues.

I think the general point to make is that when the 457 scheme was established, the sorts of people who were generally coming into the country were doctors, nurses, engineers—generally professionals. Over recent years, under the previous government, and continued under us, there has been a growth in the 457s. That growth has included strong continuing performance in the professional areas but has increasingly been represented by new classifications of persons in the trades areas. We can provide the department's figures. They are all published.

So the nature of the scheme is changing, and the protections that the previous government had in place were not highly controversial in the early days, because the workers were largely professionals. The minimum conditions established under the scheme were not all that

relevant. As the scheme changed, the sorts of workers being brought in changed, the source countries changed and, I think it is fair to say and I think Senator Ellison would acknowledge this, the government came under quite a bit of pressure about potential exploitation of workers in the 457 scheme. I know we asked questions in the Senate about it. Senator Vanstone and Mr Andrews were under pressure about those issues, about community concern about exploitation. So the previous government made a range of changes last year, quite quick changes, some without much consultation, to respond to that pressure.

What I am saying with Ms Deegan's review is that we have to come to terms with some of these complex issues. They do not only go to wages. We have had problems with health insurance. We have got a gentleman who became a paraplegic, as a result of an accident, who was here as a 457 worker. Who is going to care for him and who is going to meet his health costs? We have got the question of English language requirements, which are complex. Despite a bit of hysteria that seems to have been around recently, these are serious issues that need to be dealt with. Senator Ellison, you would be aware of the claims that that accident at one of the mining sites in the north-west was a result of two Thai workers not being conversant enough with English to respond appropriately in relation to health and safety procedures. That is just a claim—the coroner is obviously testing that; I make no further comment—but it just highlighted again the issues of English language and understanding of health and safety.

So there is a range of issues to do with the 457 scheme that, quite frankly, have to be dealt with if we are going to retain confidence in it. We want to retain a temporary skilled migration scheme. We think it is important for the Australian economy. I am keen to encourage labour agreements in areas like the meat industry to provide some support for those industries in attaining workers, where they really are struggling to get labour. There are real problems with the scheme and, if the public loses confidence in the integrity of the scheme, then public pressure will result in the scheme being abandoned. As we saw with former Minister Andrews last year, he came under pressure, he made a number of changes by regulation, which I think were ill advised, because he responded quickly to pressure. I am in no doubt that I will come under the same pressure and I hope to respond in a more considered way. I think the Deegan inquiry will help us all deal with those difficult issues.

Senator BOSWELL—Encouraging people to go on to agreements is a very worthwhile ambition, but why would anyone reach an agreement if they are going to be paid 3.8 per cent by not being on an agreement? So you have got to lift the agreement to the 3.8 or no-one is going to go on it.

Senator Chris Evans—As I say, the agreement settled under the previous minister, Minister Andrews, provided that if 457 workers were going to be employed in the meat industry, they had to be employed under the labour agreement. That was his decision, he negotiated that agreement and that architecture has not changed.

Senator BOSWELL—I think he negotiated the agreement because it was the only way he was going to get it through the state governments. But that is by the way, because it has been agreed upon. Thank you for the answers.

Senator ELLISON—Can the department provide a list of the visa classes that contribute to the 2008-09 skill stream, family stream and the refugee and humanitarian stream? That might have to be taken on notice.

Mr Metcalfe—Yes, I can check. You are after the subclass numbers, such as subclass 103 or whatever it might happen to be?

Senator ELLISON—Yes. Also, can the department provide a list of each of the visa classes that will fall under the 1.1 outputs which are economic, family, temporary economic, and so on.

Mr Metcalfe—With the first question, we may be able to answer that during the course of today because that is a relatively finite group of visa subclasses. On the second aspect, I suspect everything that falls under 1.1 would have several dozen subclasses, because there are some subclasses which cater for particular needs—we have just talked about 457, for example. I may need to take that on notice and provide that to you down the track.

Senator ELLISON—Is there a cap applied to each of those?

Mr Metcalfe—No. Really, the only subclasses that are the subject of overall planning numbers are those contained within the migration and refugee permanent migration programs—skilled, family, refugee and humanitarian migration subclasses. Other subclasses, such as the 457 or working holidays—those sorts of groups—are uncapped and are basically demand driven. If people meet the criteria and if sponsors or employers meet the criteria, then the people come in.

Senator ELLISON—The department announced on 11 April a capping of the contributory parent category visa. Why was that done?

Mr Metcalfe—That falls into the group that can be capped. You would probably be aware that there are two subclasses that relate to the entry of parents of Australians to Australia. One is the so-called non-contributory; one is the contributory. The non-contributory program has been in existence for many years, and a number of years ago the government decided to limit the numbers because of concerns about the impact on the social security budget and the health budget of people who were entering Australia and had basically made no contribution to the Australian economy themselves by paying taxes over the years. So the non-contributory parent category has been capped for some time. The contributory numbers were set at the planning level, but earlier this year we found that we had basically come to the limit of that planning level as far as the migration program for this year was concerned. So we have put a cap on the number—or essentially frozen—any further visa grant until the new program year can begin.

Senator ELLISON—You mentioned that they were not any other caps apart from those ones you mentioned—

Mr Metcalfe—If we are using the formal word ‘cap’—which is a term of art within the Migration Act—the only categories that are capped at the moment, I think, are the non-contributory and contributory parent categories.

Senator ELLISON—They are the only ones?

Mr Metcalfe—The other aspects of the migration program and the refugee program are the subject of planning levels—for example, spouse visas, school migrant visas or whatever—but they are not formally capped. We tend to be relatively good in our planning estimation. There are other devices to achieve program outcomes, but capping is ultimately available if a government wishes to place a formal limit on numbers.

Senator Chris Evans—I might say, Senator Ellison, your government introduced a contributory parent scheme, and the queue in the non-contributory had grown to almost 17 or 18 years. The contributory scheme had reasonably met demand for a while, but we were starting to see a queue forming in the contributory category as well. In the budget, this government increased the number of contributory places by 3,000, which took them to a total of 6,500. So it went from 3,500 this year to 6,500 next year—which is, as you know, a massive increase—which will hopefully meet the demand and prevent the development of queues. One cannot predict the future demand level, but that will go a long way to ensuring there is not a development of a queue like the non-contributory parent queue, which has quite frankly almost got to a ridiculous stage. We also increased that by 1,000 to a total of 2,000, and that will help—it will effectively halve the waiting time. Nevertheless, if you are at the 18-year mark you would still be waiting nine years.

Senator ELLISON—On the question of queues, can the department provide details as to the waiting time for a person to gain a visa on a category by category basis? That might have to be taken on notice.

Mr Metcalfe—We do have data on processing times against the major visa categories. Again, I suspect that would vary by post—depending upon regional factors—but that information would be available. It would help me if you were to be a bit more specific, though; otherwise it will be quite a large job to pull that information together.

Senator ELLISON—It is important, though. I am trying to see how I can limit that—

Mr Metcalfe—Perhaps I could be helpful. I will check with my colleagues, but it might be relatively straightforward for us to produce perhaps the half-dozen largest visa categories. For example, tourist visas are obviously the largest number of visas we issue. The vast majority of people come through electronic travel authority arrangements and there is no waiting period. It is an instantaneous transaction. But there are categories such as the 676 visa, where there is a paper application, for example. The temporary residence processing area, migration visas or student visas are other major areas. If we were to limit it to those but not get into very small categories such as sports people who might be travelling or some of those other categories—

Senator Chris Evans—Yes—perhaps we could start with the major, heavy—

Mr Metcalfe—We could limit it to the major ones. I will check during the course of this afternoon as to whether that is a difficult thing to do.

Senator ELLISON—We can get it during these estimates, perhaps.

Mr Metcalfe—I will take it on notice, but I will let you know if there is a problem in actually undertaking that.

Senator ELLISON—Obviously with the increased skilled migration that was announced there is going to be more processing in that area. How will it impact the processing of these other visas?

Mr Metcalfe—I do not think it should have any particular impact. As we discussed this morning, the majority of the work in the skilled migration program is undertaken in our Adelaide Skilled Processing Centre and, as part of the overall resourcing equation that is currently under discussion within the department, we will of course be providing additional resources. The resource agreement that we have negotiated with the department of finance does provide resourcing for those increased areas of activities, so resourcing will be provided and staff will be hired appropriately to deal with that.

I would not want to give an unequivocal guarantee that an increase in this particular category will mean no impact elsewhere, but certainly our objective is to have good, short processing times across all categories and we want to continue to drive performance as to how we can increase responsiveness while maintaining quality of decision making across all of our categories.

Senator ELLISON—In the annual migration program, are any costs being absorbed?

Mr Metcalfe—No. I am thinking of those areas where there was a degree of absorption. The annual migration program is the subject of a resourcing agreement. There was the particular measure that we discussed this morning about our resourcing of ABARE staff at overseas posts, but that is something we will take into account and factor into our workloads. So I think the easiest answer is no. If I need to correct that, I will come back to you.

Senator ELLISON—Thank you. Correct me if I am wrong: there will be a review of the regional resettlement program, particularly where there are critical labour shortages. Is that right?

Senator Chris Evans—I think that is probably overstating it. When we get to the resettlement section, it might be worthwhile having a discussion. ‘Resettlement’ is a term we use largely in relation to refugees. I am not sure if you are talking about the settlement of refugees or if you are just talking about the settlement of migrants generally. If it is the settlement of refugees, it would be under the next—

Senator ELLISON—We will leave it to 1.2.

Senator Chris Evans—If it is more general, I have made the point that I want to see if we cannot make the scheme more responsive to regional needs for our home states of Western Australia and Queensland, where there are real labour shortages, to make sure the connection between the skills program and the demand is matched as well as possible. I have made comments like that. I do not know if that is what you are referring to, but ‘resettlement’ is generally used in terms of the refugee intake.

Senator ELLISON—Isn’t the Western Australian government seeking regional status for the whole state in relation to achieving some priority in relation to the migration program?

Senator Chris Evans—Yes. So are the WA Chamber of Commerce and a range of Western Australian business groups. I think you will find that a former minister declared all of South Australia a regional area. There are no prizes for guessing which former minister made that

decision—but I am happy to run a competition if you want to! Since that decision, everybody argues that they ought to be treated as regional as well. The departmental officers might be able to help you, but there is a whole different set of rules about the different visa classes and regional status. It is a complete shemozzle. The ministerial council have been doing some work on that. But, yes, in recent consultations I have been pressured to define all of Western Australia as regional. I do not intend to do that. It would just add to what is already a mess. What we do need to do is sort out that whole definition of ‘regional’. It is different for different categories of visas. It includes all of South Australia, including Adelaide. As I say, it is very complex.

Senator ELLISON—Western Australia does have a particular demand, though. The immigration issue is a bit of a standout and it seems to apply pretty much across the state. It is just a question of the intensity depending on where you go.

Senator Chris Evans—The key issue is: do you describe Perth as regional?

Senator ELLISON—For the purposes of achieving some priority in the national plan, the demand is very high, and in regional Western Australia it is even higher. To be quite blunt, I fail to see why South Australia deserves regional status.

Senator Chris Evans—I refer you to the former minister. You might have to go to Italy to discuss it!

Senator ELLISON—Please do! I am batting for Western Australia.

Mr Metcalfe—This is the first evidence I have seen of the Senate being the states’ House!

Senator ELLISON—Precisely.

Mr Metcalfe—The policy rationale for regional concessions in migration was essentially to make it easier for people to go to regional or non-metropolitan parts of Australia because of the general propensity for people to go to the large cities on the east coast. The minister has indicated that what has now grown up over time is a series of definitions of ‘regional’ for the various migration visa categories and whatever. The migration program provides a variety of policy instruments. General skilled migration provides broad matching of opportunities in Australia, through the Migration Occupations in Demand List, with people who may wish to fill those places. So there is broad matching going on between the needs of the Australian economy and the supply of people coming from overseas to meet those needs.

Of course, as we have already discussed, there are targeted programs which provide precise job matching for companies in search of workers from overseas on the basis that they cannot find Australians. The 457 visa is a good example of that. There is also the employment nomination scheme, which essentially provides for a sponsored employee to come as a permanent entrant. We certainly continue to encourage state governments and employers to look at opportunities to identify specific workers who might come to fill a need and to use those instruments of policy.

At the same time, we have the broader general skilled migration category which provides relatively young people with good English and good skills to come into the Australian economy more generally. The ability to influence where that group go has been the subject of considerable discussion over many years, and the regional concessions are a part of that. But I

would not want you to think the regional concessions are the only way to get people into a particular part of Australia. Certainly, the promotional efforts of state governments, using the expos that we have run overseas and various other recruitment fairs, together with the work of employers from Australia, are all things that are at people's disposal to try and get people to where they are needed.

Senator Chris Evans—I share your starting point, Senator, which is concern at how we direct people with the skills to where the demand is, and Perth is clearly one of those areas. I want to try and ensure that we use immigration as much as we can to get that connection going. I guess what I am saying to you is that the regional classification scheme has become so convoluted and undermined that I do not think it is as useful an instrument as it used to be. I do not think adding Perth to the list is going to make that any more attractive. I think that would only leave us with Brisbane, Sydney and Melbourne that were not regional in Australia.

Mr Metcalfe—Maybe Wollongong.

Senator Chris Evans—And maybe Wollongong, apparently. But basically we are destroying the system by the add-ons. What we have to do is find better levers to try and direct people into the areas of need.

Senator ELLISON—Is there any analysis as to where these people go? What I am talking about here is an issue which happens to be coincidental with the geography of the state of Western Australia. Has any analysis been done by occupation and the location of the 457 visa holders, for instance?

Senator Chris Evans—I will get the officers to answer that in detail. There is some analysis about people indicating which state they are going to go to. I will get the officers to take you through that. But one of the things I learned when I asked about the 457 visa holders was that they actually tell you where the application was processed. Some of the large firms get them processed in Sydney but the worker may be going to WA.

Senator ELLISON—On hire companies.

Senator Chris Evans—So I have asked the same question and I found the answer not to be as helpful as I hoped it would be.

Senator ELLISON—Can we drill beyond that?

Mr Hughes—There are a lot of potential questions in the broader question you have asked. You referred before to people coming to Australia through various kinds of regional concessions. The state and territory sponsored set of concessions under the skills stream results in about 25 per cent of the skills stream getting visas through those state and territory sponsored concessions under the current definition of regions. But as to the destinations of broader migrant groups, I might ask Mr Vardos or Mr Mills to help out with that.

Mr Vardos—I have two sets of statistics here that I can quote for you. One is, against the top 15 countries of origin, primary visa grants for 457 visa holders in 2007-08 by jurisdiction and total numbers. The figures are as follows: ACT, 490; New South Wales, 14,530; Northern Territory, 600; Queensland, 6,370; South Australia, 1,300; Tasmania, 290; Victoria, 8,390; Western Australia, 7,810; and other locations—and I am not sure what that means—90.

Senator Chris Evans—It is the Antarctic, probably!

Mr Vardos—Or Norfolk Island—who knows? But they were the indications on their applications about where they intended to go. Where they ultimately went may be another story. I also have, for the 2007-08 migration program, state specific and regional migration initiatives distribution across the country. The figures are as follows: New South Wales, 1,797; South Australia, 5,910; Victoria, 7,888; Western Australia 2,628; Northern Territory, 298; Queensland, 2,276; Tasmania, 471; ACT, 668; and unknown 846.

Senator ELLISON—Thank you. You mentioned earlier that COAG was approaching this issue of where the skills were needed and the question of regional status. Where have we got to with that?

Senator Chris Evans—We have not had a ministerial council meeting since I have been minister, so I will defer to one of the officials. They have done a lot of work on this, mainly on the regional definition issue.

Mr Mills—There has not been a final resolution of that process relating to so-called regional definitions. In fact, if you look at the suite of visas, they are called state specific and regional and that is instructive because there are two different drivers for the way that those policies work. One, if you like, is a purer definition of regional and the state specific driver has been more about the population objectives of certain jurisdictions. That suite of visas has been built up essentially over a decade responding to the needs of particular jurisdictions. As the minister has pointed out, that has led to quite an interesting cocktail of different measures across five or six different visa classes.

Senator ELLISON—Is this on the agenda for the 4 July 2008 conference of the ministerial council?

Mr Mills—It is on the agenda for the forthcoming meeting of the Commonwealth-State Working Party on Skilled Migration which in fact reports to that body.

Senator ELLISON—You were talking about visas and the granting of visas earlier. Can the department provide a breakdown on the number of visa applications submitted to each embassy post each year? Is it possible to provide a number of those that are awaiting decision—that is, the backlog at each post?

Mr Metcalfe—I will take that on notice. Again, we might seek to have a discussion with you about whether that covers all of these as subclasses or perhaps the more significant ones. Otherwise, I suspect, it would be a very large piece of work given that we have 60 overseas posts. But I will take that on notice and we will provide what we can in due course.

Senator ELLISON—It is something you keep an eye on, isn't it? I remember the South African post in Pretoria was notorious at one stage—I am going back 10 years now—for the backlog there, and that was of course the interest from South Africa for migration to Australia. It was just a question of increased demand, but it is something that you would keep an eye on around the place wouldn't you?

Mr Metcalfe—We certainly do and we seek to align resources. Because of the way work is now done—I have mentioned before the skill processing centre in Adelaide—skilled migration is currently concentrated in one large unit that employs scores of staff in Adelaide.

It is more difficult now than in the past to simply look at a particular post, look at the visa application load into that post, look at the backlog and draw conclusions. For example, working holiday makers visas are largely now processed in Hobart. We employ close to 100 people in Hobart now, whereas six or seven years ago we employed about 20. That is because we have essentially been able to bring that workload into an electronic format, an electronic application, and make decisions where we choose to rather than at the particular overseas post, which are usually very, very expensive places to run. An Australian officer employed overseas costs us something in the vicinity of \$360,000 whereas our average staffing cost in Australia would be something closer to \$80,000-\$100,000. So you can see the benefits of concentrating workload where you might be able to do it more efficiently. In Perth, for example, we essentially do parents migration processing for the world. Having said that, I have taken on notice the question, but we might need to provide some context or explanation in relation to the figures because simply looking at what London is now processing or what Beijing is now processing does not actually tell an accurate picture of where the workload might be and where the applications or the backlogs might exist.

Senator BARNETT—Are they the costs on top of the salaries?

Mr Metcalfe—We regard \$360,000 as the total cost. Our average officer overseas is at the APS6 or executive level 1 level, so their salary costs would be in the vicinity of \$70,000 to \$90,000. On top of that, their overseas living allowance is payable and of course the provision of accommodation as well. An overseas Australian officer—be it foreign affairs, immigration, police or whatever—is an expensive unit, and that is why we are always making careful judgements about where we can most efficiently employ people and get the work done.

Senator BARNETT—Is that a figure that is consistent with those other agencies—police and so on?

Mr Metcalfe—I think so. I have not checked recently but I do not think that our costs of having an officer overseas would vary greatly from those of Foreign Affairs, police or any of the other agencies that have overseas staff.

Senator BARNETT—Are the domestic costs of \$80,000 to \$90,000 a year on top of the salary?

Mr Metcalfe—I will check to see if that is an inaccurate reflection based on that classification level. We would normally do a costing of a staff member in Australia—all costs including salary, superannuation, property costs, IT costs—of around \$100,000 per person. So the better comparison is probably between about \$100,000, taking into account all costs of the average officer, and about \$360,000 for an overseas A-based officer.

Senator BARNETT—Is the \$100,000 on top of the salary or does that include the salary?

Mr Metcalfe—No, that includes the salary. To compare apples and apples, I am saying you should compare the \$100,000 average in Australia with about \$360,000 or so for an overseas Australian officer. Of course, we also employ local employees overseas and they usually cost less.

Senator BARNETT—Sure. If it is different to that, let us know.

Senator Chris Evans—You raised South Africa, Senator Ellison, which is interesting because we currently have a problem with English testing overseas and with people getting access to English testing by the registered English testers. We have got delays, as I understand it, from South Africa. I have had complaints from industry about it, but it is not actually the department. We are looking at other alternatives to try to get the English testing done. It is one of those things that is outside the department's control, a bit like a security check is. The department cannot move to complete the processing until the security checks come back or the person has their English test result. We have problems with getting enough providers and access to the English testing regime at the moment in South Africa, and I think in a couple of other places as well.

Mr Vardos—That is correct. We have asked the provider to ramp up the delivery of tests to make more available. We are also looking at other providers. South Africa is definitely on that list, plus other locations that do not instantly come to mind.

Senator ELLISON—On the backlog that we talked about earlier today, do not get me wrong, the feedback that I have had and my experience with immigration officers overseas is that they do an excellent job in all those areas and streams that Mr Fox mentioned earlier. You have a policy to bring in people for certain reasons but the processing is the other aspect to it. The policy might be right but if the processing is slow then everyone will jump up and down—those applying, the employers and everyone else.

I will move to another discrete area and deal with the regional status for universities. I understand that it adds to the points for an applicant if they are going to a regional university. The student going to the university gets a bonus in that regard. Is that right?

Mr Mills—That is correct.

Senator ELLISON—How is the determination done of whether a university is regional or not?

Mr Mills—There is a gazetted list of the campuses which are classified as regional. We would have to take the rationale on notice because that determination was made some considerable time ago and I know there have been some changes to that list over time.

Senator ELLISON—Recently I visited the Monash campus in Frankston. They are not regarded as regional, although, when you look at it, it is in that twilight zone.

Senator Chris Evans—You are going to get a big run in the press in Adelaide and Frankston, Senator Ellison. You may not be leaving WA again for fear of your life!

Senator ELLISON—I think that the residents of Frankston would be very interested in this question.

Senator Chris Evans—I am not sure they describe themselves as being in the twilight zone.

Senator ELLISON—I think they find themselves in an area where they are neither fish nor fowl, in a way. However, because of the location and the perceived proximity to Melbourne, it is very much self-contained. I would argue on Monash's behalf that a regional status would not be an unreasonable determination for that campus. Has the department or the minister got a view on this?

Senator Chris Evans—It has not come before me. All I can say is that, years ago when I was representing Western Australia on a rugby trip as a young man, I was billeted at Frankston for games that were on the other side of the city. I was bitterly disappointed at the distance that one had to travel, but I have not had anything put before me that considers those issues.

Mr Vardos—The particular instance of Frankston has not been brought to our attention.

Mr Metcalfe—I think it does go to the point the minister made before, that for probably all the right reasons there has been a series of incremental decision making over time against certain visa categories about whether this postcode or that postcode, or this city or that city, or this campus or that campus should be defined as regional Australia. You can understand why certain people would want to be defined as regional Australia. But it would appear to me that there may be some scope for some rationalisation in this area. Having said that, I am sure that there are a host of regional factors that would need to be taken into account.

Senator ELLISON—I understood that there have been some discussions, perhaps at state level. If someone could look at that, I would be grateful.

Senator Chris Evans—The best we could do is to take on notice the query as to whether we have had any consideration of the status of the Monash campus. If we have, we will give you some information on it.

Senator ELLISON—Thank you. The next question I have relates to the estimated revenue for migration to Australia, which is expected to fall. I am just wondering if this hasn't been covered earlier. If you turn to page 18 of the portfolio budget statement and look at the table 'Administered revenue from independent sources'. I am not sure whether this was covered earlier, about the shift from departmental revenue to administered revenue. Looking at 'Application for migration to Australia', it would seem you have a drop from 2007-08 to 2008-09. Am I right in understanding that, and, if that is the case, why is that declining?

Mr Metcalfe—I will ask the expert on these matters to come and join us at the table. The question is: why are we estimating to receive \$117,065,000 next year compared to this year's \$121,829,000?

Senator ELLISON—I thought that with the migration program increasing, you should be getting more money out of it.

Senator Chris Evans—We have not dropped the visa fees, I can assure you, Senator.

Senator ELLISON—These charges are going up, aren't they?

Ms Prothero—I am sorry; I do not have the answer for that particular variation. We will organise that for you.

Senator Chris Evans—We will take it on notice and I will get back to you this afternoon or first thing in the morning.

Senator ELLISON—Thank you. The second instalment visa application charge has a big variation. That is an increase from 2007-08 by almost 40 per cent at a rough guess. Can you tell us about that?

Ms Prothero—The primary reason is the increase in the migration program, particularly the 3,000 contributory parents, who each pay a second instalment of \$31,000. That is the main reason for the increase.

Senator Chris Evans—The program has gone from 3,500 to 6,500 places, so it has almost doubled in number.

Mr Metcalfe—And the second instalment is a really big instalment, isn't it?

Ms Prothero—Yes, that is correct.

Senator Chris Evans—That is where the 30 grand comes in, through the contributory parent, so it is the big payment. As I said, the program has almost doubled so that should explain at least part of it.

Senator ELLISON—I have one more question. I understand others have questions. I have not finished with 1.1, but I will perhaps finish with this area. One of the roles of the department in outcome 1.1 is to identify occupations of high risk, I understand, with regard to frequency of fraudulent applications—I think that is an aspect of it. How do you regulate those occupations in light of proven fraudulent activity? For instance, do you have a list of the ones which pose the highest risk for fraud? Do you have a plan to combat and deal with those? Do you publish that list? Do you advise or communicate that to people in the sector in relation to, 'We're having a problem here, and this is something we're targeting'—much like the tax office does from time to time in different areas of employment?

Mr Hughes—There is not a list of occupations as such that we target for fraud routinely. But, as part of our overall processing activities around the world, we obviously pay attention to and are constantly on the alert for examples of fraudulent activity that come up—it might be in relation to particular occupations, it might be from particular countries, it might be from migration agents et cetera. The information or intelligence from that work is fed into our network so that it can be applied in decision making. Mr Mills might want to supplement that with some more specifics.

Mr Mills—In the major processing centre for general skilled migration, which is in Adelaide, there is what is called an integrity branch. Their task is to identify profiles of high risk applications, which can be high risk for a number of different reasons. They are quite skilled at that work. The material that they produce is used to drive the referrals process. Applications which are considered to pose a risk would generally trigger a referral to the overseas post, which would then be able to conduct investigations, often in the field, relating to documents, work experience, other claims or even issues of identity. That is the method by which we pursue those particular problems.

Senator ELLISON—So the referral to the overseas post is a way that you regulate it—you do not do anything by way of directions or guidelines?

Mr Metcalfe—Not in that category. As Mr Mills indicated, our Adelaide skilled processing centre is very much alert to these issues and has some quite smart IT support around that identification of discrepancies or areas of possible concern. So not only are our officers focusing on the case in front of them; they have access to our learnings over a period of years

about that particular occupation, industry, sponsor, institution, employer or whatever it might happen to be, and that is able to be brought to the consideration of the particular file.

Senator ELLISON—Could they feed it into a decision maker elsewhere?

Mr Metcalfe—The decision is usually made by our officer in Adelaide. This is where our system has changed, certainly in the 15 years since I was at an overseas posting in Hong Kong. Fifteen years ago an application would have been considered by our overseas post, all processing would have occurred at that post and local knowledge would have been built up about areas of concern, issues or whatever. We now essentially do the vast majority of that processing in our centre in Adelaide. That allows us to have specialists in particular areas. People become very skilled in the particular occupation or countries they may be working on. They are given computer support so that areas of identified fraud or issues are able to be applied to the particular case they have. If a concern is raised, they then refer that back to our overseas post. So the role of the post is now more as a specialist. This allows us to manage the risk in a far more targeted way than may have happened previously. The role of the post is to undertake inquiries through whatever the best method is to try to ascertain the particular employment background of the person, or whether this document is genuine or whatever it might happen to be.

An area where there is some difference is in relation to student visas where there is in fact a system of different levels of risk which has been identified by country of origin. There are various assessment levels, I think from one to four, which essentially are determined by a ranking of various factors including detected fraud, overstay rates, non-compliance and that sort of thing. Essentially, the assessment level depends upon the level of scrutiny or processing that may have occurred. So that is a different way of approaching the problem. How we can best apply our resources to identifying fraud is something that is a key focus for us.

Senator ELLISON—Is the centre in Adelaide another Amanda Vanstone decision?

Mr Metcalfe—No, I think it may have preceded Senator Vanstone to be honest.

Mr Mills—It pre-dates her.

Mr Metcalfe—I think it may have been her illustrious predecessor.

Senator Chris Evans—Perhaps it is a reflection of the four South Australians in the cabinet at the time, Senator Ellison.

Mr Metcalfe—It is interesting in that the Adelaide office at one stage had about 80 staff and was purely servicing the South Australian localised case load. It now has well over 300 staff and it is essentially servicing skilled migration from the world. In the same way as our Hobart office, it is a very different place and dare I say it a far more dynamic and exciting office because people are working on issues from right around the world.

Senator ELLISON—Madame Chair, I have a number of other questions on 1.1 but there may be others who want to ask questions in this area.

CHAIR—If you are happy to have a break we will go to Senator Nettle.

Senator NETTLE—Minister, you were talking before about the number of people who were on 457 visas who had died.

Senator Chris Evans—No, I do not think I was. I mentioned that one gentleman on a 457 visa in South Australia had a very serious accident diving into a creek or something, and who I think is now a quadriplegic; he is very severely disabled as a result. Nothing to do with his employment I hasten to add, it was just one of those things. It raises the issue of health care, ongoing care. He was here with his partner and children and I think I have granted a visa for the family to stay. I seem to recall this, but I raised it as an example of what can occur when someone is here on a temporary employment relationship and that serious consequences are not envisaged by the contract. One of them is serious health issues. We have also had instances where people have developed serious cancers or what have you while here. There is a set of obligations and issues around the contract way beyond the employment contract. This gentleman was with a small employer and the suggestion that that employer should have to carry the cost of that gentleman's health care for the next 30-odd years is a bit unrealistic. That is one of the issues I want Barbara Deegan to look at; that whole question of health insurance, health costs for people who are here on temporary arrangements but may well be quite large health costs. I was not actually referring to deaths. I know that has been raised before.

Senator NETTLE—I wanted to ask you how many people have come here on a 457 visa and have died?

Senator Chris Evans—I think we have some information on that.

Mr Vardos—The information we have indicates that three 457 visa holders have died in workplace accidents or workplace related accidents. That is what has been reported to us, or identified to us.

Senator Chris Evans—Over what period?

Senator NETTLE—When is that since?

Senator Chris Evans—They are not recent.

Mr Vardos—In the last calendar year.

Senator NETTLE—That is for work related ones, but do you have a figure for non-work related deaths for people on a 457 visa?

Mr Vardos—I am not sure that we do.

Ms Daniels—We certainly do not have those with us.

Mr Vardos—It is a situation of whether it is reported to us as a 457 visa holder who has had a serious accident. It may not be identified as such at the time and we would not necessarily become aware of it.

Senator NETTLE—I thought Mr Andrews said that when he was minister 17 or 18 people died on 457 visas from injuries that were not work related.

Ms Daniels—That figure certainly rings a bell from last year. I just would not like to quote it without checking our records.

Senator Chris Evans—Senator Nettle, I am happy to get you a fuller answer. A couple of people have raised this with me. I did at one stage get a brief that went to those issues. There are a number of people who have died while in the country on 457 visas from natural causes, car accidents et cetera. There are also those who might have lost their lives in a work-related situation. I am happy to see if we can get you some more complete information, including the time periods. Two people fell off the back of a truck last year and were killed.

Mr Metcalfe—The three that Mr Vardos referred to may have been Filipino nationals who were killed in workplace accidents. I recall that one gentleman was working as a stonemason and another was possibly working on a cattle station. I think that is on the record but we can provide that detail to you.

Senator NETTLE—Who makes the determination about whether the death is from a work-related injury or a non-work-related injury?

Mr Vardos—Ms Daniels will correct me if I am wrong, but there is usually a coroner's inquest associated with the death and that determines the cause. The three deaths I have quoted were identified as workplace related accidents.

Senator NETTLE—I want to ask some more questions about that, but it sounds like it might be best if you take them on notice.

Mr Vardos—We would prefer to do so. There is a lot of personal detail associated with those cases.

Senator Chris Evans—We have recently had quite a few students losing their lives while in Australia. The Indian High Commissioner came and saw me about it. They had to fund the funeral and repatriation costs, and that had to be borne by the local Indian community on a few of occasions. While there will always be issues with people in the country temporarily, the focus for us, certainly recently, has been on some students who have died. As I say, for the Indian High Commissioner it has been a bit of an issue. They had a tragic run of incidents among Indian students. These incidents were not linked. There was a drowning and a whole range of issues. As I say, we have had a run of student deaths as well.

Senator NETTLE—I understand there was an FOI request in relation to information about people on 457 visas who had died. From the reporting, there was not very much information released. Why wasn't more information released for that FOI request?

Mr Metcalfe—Can we check on that. Last year I think we received 15,000 FOI requests, so I just want to make sure that, in responding to you, the officers are able to properly describe the reasons for the nondisclosure of information. It may well have gone to privacy or personal particulars issues. It may have related to the fact that there were legal proceedings—a coronial inquiry. Rather than speculating, I would prefer to take that on notice and provide you with a proper answer.

Senator NETTLE—I will give you more details of that. There was an article in the *Sydney Morning Herald* on Saturday, 9 April this year about an FOI request from the *Sydney Morning Herald* for information on people on 457 visas who had died from, I think, both work-related and non-work-related injuries. I was hoping you could provide more information on that.

Mr Metcalfe—We will provide you with more information on the reasons for that decision.

Senator NETTLE—I know that some FOI requests get signed off by the department and some get signed off by the minister. Do you know which category that one was in?

Mr Metcalfe—It would have been made by the department. It is extremely unusual for a minister or their office to make a decision. That usually relates to documents within the minister's personal possession in their office. These would have been departmental documents and the department would have made the decision.

Senator Chris Evans—You cannot fit me out for that one, Senator.

Senator NETTLE—No, just asking. I will put some more of those questions on notice, as well.

Mr Metcalfe—Our general approach on these issues—because we do of course receive requests from the media to try to assist where possible—is, if we cannot respond to the FOI request precisely, we look to see if there are other ways of providing the information. So quite often there might be a discussion about that issue. We will check on that precise one and give you some advice.

Senator NETTLE—Thank you.

Senator ELLISON—A question on interventions: there is the 417 and the 351.

Mr Metcalfe—Those are both sections of the Migration Act.

Senator ELLISON—I do have questions which might be better handled if I deal with them together because they deal with interventions generally. But I understand 351 might be under 1.1 and 417 might be under 1.2.

Mr Metcalfe—Yes, the majority of ministerial intervention requests would arise under section 417. They relate to persons who have been refused by the Refugee Review Tribunal. Section 351 relates to people who have been refused by the Migration Review Tribunal, so it is a non-refugee visa matter. As I have said, the majority of intervention requests would be under 417, which is program 1.2.

Senator ELLISON—I will limit it to 351, rather than deal with them in a compendious sort of approach.

Mr Metcalfe—351 gets you into 1.1.

Senator ELLISON—What are the current caseloads of those 351 visa categories? I will break it down: in the department's initial processing stage, if that makes sense; in the stage of further processing, if there is one; the cases at the minister's office; unassessed cases; and the total of that.

Mr Metcalfe—We will take that on notice, Senator.

Senator ELLISON—From 7 December to date, how many have been sent to the minister's office and how many finalised?

Mr Metcalfe—We will take that on notice.

Senator ELLISON—Okay.

Senator Chris Evans—I have indicated that I am happy to provide a quarterly report on my ministerial interventions. I will not be providing week-by-week figures on files sent up, files not returned et cetera, but I am happy to provide a quarterly snapshot of what has been determined. In part that is because at the moment I get a lot of media inquiries about these things as well. So we will produce quarterly figures.

Senator ELLISON—Are those the sorts of things your quarterly report will cover?

Senator Chris Evans—‘Quarterly report’ is getting a little grandiose. What I am going to give you today, if you ask me the right question, is the ministerial interventions. I have asked the department to provide me with a better understanding of the sort of question you are asking: what is coming in; at what stage is it at; at what stage do they determine to send it up to me. It is not all that clear to me, and I think that is because people process things as they come along.

For instance, a number of files I have seen have been the second pass of decisions taken originally by Minister Andrews which I have then finally signed off on when they have had their health and character checks come back. In the vast majority of cases I have affirmed his decision. I got one the other day from Senator Vanstone’s era; it was from 2006. I think this was because there had been a problem with security or an assurance of support, but it made it clear to me that the whole processing is not at all transparent. I was looking to make a final determination on an original decision taken by a minister who had been out of office for a year-and-a-half. I just wanted to add that layer of complexity to the process to explain that the sort of thing you are after is not easily understood. But I am trying to make it more easily understood. I would like to know myself. I do not know what is in the pipeline or how many are going to come up to me or when.

Senator ELLISON—That is what I am trying to find out in these questions.

Senator Chris Evans—I will be happy to share it with you when I find out. That is what I am saying to you.

Senator ELLISON—Okay. And the question on the interventions themselves—and if this is in your quarterly report you are about to release—

Senator Chris Evans—Why don’t I tell you what I have and then you can take it from there? What I have is that from 1 January to 31 March, in terms of ministerial interventions, I have seen 472 cases. Of those I have made 187 visa grants. I think that is visas granted and visas subject to health and security checks.

Senator ELLISON—And that is 351 interventions, not 457.

Senator Chris Evans—No, that is the total ministerial interventions.

Senator ELLISON—That is a total of both?

Senator Chris Evans—Yes.

Senator BARNETT—So section 417 and 351 visas. Can you break it down?

Senator Chris Evans—I can give you one breakdown. There are six different powers under which one has ministerial interventions and there are also the section 48B cases, where I allow people to reapply for a protection visa. But in terms of ministerial interventions there

have been 472 cases which I have looked at. I have granted a total of 187 visas. I will double-check, but I think that is a combination of those that were granted and those that I have said I will grant, subject to the health and security check coming back clean. But I wanted to try and give you the total, rather than make it so broken down as to make it meaningless. I have a breakdown of the 417 cases because they are the largest group. I have seen 392 of the 417, and of those I have granted 116 visas. I will just double-check that that visa figure includes those who have gone off for health and security checks. I will come back to you on that. I think I asked the staff to combine the two.

It is stage 1 and 2. When I deal with the file it says, 'Begin considering intervention, subject to health and security,' so you see it twice. I am dealing with some of Minister Andrews's second pass cases, where he has made the initial decision. I still have to sign off on it, so I have to go back and be satisfied the whole thing is okay. I am not trying to be confusing, but it is more complex than it looks. The only thing I am querying is that the total visas granted—I am just checking—includes those I have already granted and those I say I intend to grant, provided they come back with a clean health and security check. The vast majority come back clean, as you would understand, but it is that second check that confuses the issue a bit.

Senator ELLISON—How many bridging visas have been granted while the request for intervention is being finalised? That might be something in your quarterly report.

Senator Chris Evans—We will have to take that on notice. I have no idea. I do not see the bridging visa decisions, as you would appreciate.

Senator ELLISON—In relation to questions on notice taken for 351s that we have just gone through, can we do the same for 417s? I know we are not on output 1.2 yet.

Mr Metcalfe—We can take that on notice.

Senator BARNETT—Minister, will you be tabling that document?

Senator Chris Evans—I can do. It only has the four figures on it.

Senator BARNETT—That would be appreciated. So 392 out of the 472 are section 417 visas. Can you break down the remainder? Are they all 351s or are they other categories as well? If so, what are the categories?

Senator Chris Evans—I have been advised that the visa grants are just the actual visas granted, not the stage 1 consideration.

Mr Metcalfe—Senator Barnett, are you looking for a complete disaggregation?

Senator BARNETT—Yes.

Mr Metcalfe—There are a number of other powers, but certainly 351 and 417 are the largest ones. The minister mentioned section 48B, which would not result in a visa being granted—that is, it allows a person to reapply for a visa. There is a power under section 195A of the act that allows a person in detention to be granted a visa as well.

Senator BARNETT—If you would like to take the breakdown of the categories on notice that would be good.

Senator Chris Evans—The reason we broke down the 417s is because traditionally they are the ones where the interest level is and they make up about 80 per cent or whatever it is of the case load. The last time we discussed it with some people they wanted me to give them the 417s broken out. We can give you the consideration by each decision power.

Senator BARNETT—Would you like to clarify for the committee the minor intervention that has just occurred?

Senator Chris Evans—I will but I am now concerned, so can I do that after the afternoon tea break?

Senator BARNETT—I will let you off the hook for—

Senator Chris Evans—No. I just want to make sure I have given you the right information. The total numbers are right, but I would like to be absolutely clear about the definition of ‘visa granted’ and whether it is first stage or second stage. I now have myself confused, so I would like to come back to you on that.

Senator BARNETT—All right. Can we assume that those that were not granted are necessarily expelled from the country? How does that work?

Senator Chris Evans—No. These are people who have been assessed by the department and have been found not to enliven our protection. They have then gone to the MRT or RRT and had their case determined by them. After that two-stage process they have a right under the legislation to seek ministerial intervention, which is, if you like the sort of third level or a further appeal. All of these people have been assessed twice before and then they come to ministerial intervention. Since I took on the job, I have been surprised to find that I am examining the ninth or 10th ministerial intervention that has been lodged and that three or four ministers before me have looked at this file and the person is still seeking ministerial intervention. In most cases, this means they have not left the country. You ask a relevant question. If they failed ministerial intervention why are they still here? This is their last line of appeal. It is a question I have asked as well.

Senator ELLISON—Is that the bridging visa question I asked?

Senator Chris Evans—Not necessarily. Some will have disappeared into the ether, having failed their last ministerial intervention; some will be pursuing litigation, in which case the department usually does not seek to action their removal or what have you.

Senator ELLISON—Are some on bridging visas?

Mr Metcalfe—Yes, but normally the bridging visa would be associated with the fact that a person is pursuing litigation or, if they do approach the department and make arrangements to depart, then there is the ability for a person to be granted a bridging visa to allow that departure to occur without the person going into detention. The two broad categories of why a person who has been refused intervention has not departed would be because they are pursuing litigation through the courts or because they have lost contact with the department and we are unable to re-establish that contact.

Senator BARNETT—That is a diplomatic way to put it.

Senator Chris Evans—They are hiding in Hobart.

Mr Metcalfe—There is a smaller group of people who we may be actively seeking to remove but who we cannot because they do not have a travel document and we are seeking a travel document for them.

Senator BARNETT—I fully understand where you are coming from. What proportion of those are not granted ministerial intervention? Are we talking about the vast majority, who are then expelled? Do you have figures on that sort of thing? What is the status?

Senator Chris Evans—I understand that a significant portion do leave. I have made this point publicly a number of times. The transparency of this process is not as it should be and the sort of information you are after is not as readily available as it should be. I have also made it clear that my view is that there ought to be a strong connection between a decision by the minister not to intervene and departure arrangements.

Senator BARNETT—Yes.

Senator Chris Evans—Otherwise the system lacks integrity and will not enjoy public confidence. I think it is fair to say that what I have inherited reflects a system in which a large number of people seem to stay in the community with their cases unresolved. To be frank a lot stayed in detention with their cases unresolved. That is another area I am trying to work through.

Senator BARNETT—It is a fair question. I am happy for you to take it on notice and use your best guess or estimation in terms of where these people go and what happens to them. Would that be possible?

Senator Chris Evans—It is imperfect, but we can give you something and, as I said, I am trying to get greater clarity around these issues. But if you were to ask us whether most of those people then get removed by the department as an accompanied removal, I would answer no. They are a very small part of what happens, but the department has a range of processes where they encourage people to leave voluntarily—and many do, but a sizeable group do not.

Senator BARNETT—If you are happy to take that on notice.

Senator Chris Evans—Yes.

Senator BARNETT—In terms of categories, what proportion do leave voluntarily and who do we compulsorily expel? And, if you could provide information on those who take litigation and those who disappear, as it were, into the ether, that would be useful.

Senator ELLISON—On the question of interventions, you mentioned prior ministers having dealt with the matter and then coming back to you, and I can understand that. Have they made any decision previously as to the application, or have they simply deferred it pending the receipt of further advice?

Senator Chris Evans—The cases I was referring to was where the previous minister had made the first decision to consider the grant of a visa. They then nominate the visa, and then they say, 'subject to'. Generally, it is subject to health and security checks. Sometimes it is subject to an assurance of financial support, sometimes it might be a medical check on a child or a dependant or it might be subject to some resolution of some other outstanding matter. But generally it is subject to health and security checks. When that is done, the file comes back and the minister then signs off on the visa. When there is a change of minister, you find

yourself signing off on the previous minister's decisions. That forces you to actually reread the whole thing—and I certainly do—to be sure that you are comfortable with the previous minister's decision. My predisposition has been to accept the previous minister's decision because, in part, when people hear that they have got through the first round, it is almost a signal that they move into visa grant. There is an expectation by the client and the advocate, so that is part of your consideration. I have sought more information on a couple, but effectively there have been a large number where I have signed off on the earlier minister's decision.

Senator BARNETT—To finish that section, could you also take that question on notice with respect to those requests or applications made to the previous minister, as in former Minister Andrews and those that were granted by him?

Senator Chris Evans—No. I do not have any confidence in the record keeping in that regard. You might recall that, under the previous minister, none of these figures were published or were made available. They were not necessarily collected in that way; and I have asked the department to drill down into these processes to see what can be made available. But I certainly would not release information on the previous minister's decision-making processes, other than what is already available, which is pretty general, unless I was absolutely confident that they were right.

Senator BARNETT—I am not asking for the processes; I am asking for the number of applications made to the previous minister and the number of applications granted under the previous minister.

Senator Chris Evans—What I am saying to you is that that information has not necessarily been collected in that way.

Senator BARNETT—I am asking the department to see if they can collect it and pull it together and take it on notice.

Senator Chris Evans—I will take it on notice. I have asked them to do some work, but I am concerned that I do not publish something that is not necessarily accurate, particularly in terms of other ministers.

Senator BARNETT—I am sure the department would be happily able to make estimates, or best estimates, but if you are happy to take that question on notice—

Senator Chris Evans—Yes; I am.

Senator BARNETT—Thank you.

Senator Chris Evans—I do not want to be accused of having fished up a former minister.

Senator BARNETT—No.

Senator Chris Evans—That is part of my consideration, to be honest, if I am not absolutely confident about the figures. For instance, Mr Andrews would have done a lot of second passes on former Senator Vanstone's earlier decisions, so, again, that clouds the figures. I must say that Mr Andrews was quite assiduous in getting through the files. I think it is fair to say, probably more assiduous than some of his predecessors.

Senator BARNETT—I have some questions on the additional migration numbers for skilled labour, as we discussed earlier, and I am happy to move to that area if the chair is happy to do that.

CHAIR—If they are still in output 1.1

Senator NETTLE—It is in 1.2.

Senator Chris Evans—I think it is fair to say that we are doing ministerial intervention, chair. One of the intervention powers is in 1.1, but we are probably best doing it as a group.

Senator NETTLE—We were talking about interventions left by the previous minister. How many were left for you to deal with when you came to government?

Senator Chris Evans—I think the caseload in the system when I became minister was in the order of 2000.

Mr Hughes—I think that is correct, but we can confirm that.

Senator NETTLE—Minister, in an interview with Alex Kirk on the *PM* program last week you were asked about when we might see legislation divesting you of your powers. You said you hoped to have legislation before parliament to make these changes at the end of this term. Do you mean by the next election?

Senator Chris Evans—Yes. I guess I was expressing caution as to our capacity to get legislative change discussed broadly and to get instructions drafted and through the parliament. There are some things I will be able to do by administrative action to improve the processes and transparency in terms of how many files are in the system and when they are coming up. I would hope to turn it around. One of the things we have strived for is a system where the department deals with the application in 90 days and the tribunal deals with it in 90 days. But there is no point having this system if the ministerial intervention takes three years. It is increasingly becoming part of the process. Therefore, it seems to me that we ought to make it part of an efficient process. There are some things I am hoping to do administratively, but the powers given to me in the act cannot be delegated and they are non-compellable. As long as I have those powers, I will exercise them and meet my responsibilities. But the changes that I think are desirable in the system will require a change in legislation. As you know, these things do not move as quickly as we would like. But I am committed to trying to get a review of that system and to reduce the role of the minister in the decision-making process.

Senator NETTLE—At the last estimates you said you had commissioned a report from Elizabeth Proust on this matter. Where is that up to? Is it back with you?

Senator Chris Evans—I have got it. I indicated to Senator Ellison that I will probably release it in July, together with some response from the department. I am happy to have public consultation or a seminar or get the people who are interested in the issues to come in and debate it as a starting point. As you know, there is a lot of interest in it but it is from a fairly small group—no-one raises ministerial powers with me when I am watching my sons play soccer. I expect that we will be able to identify those who have an interest in it and try to workshop the issues.

Senator NETTLE—You have talked before about complementary protection. Is that the process for coming up with what may be some form of complementary protection?

Senator Chris Evans—Generally, I would be happy for a thousand flowers to bloom but my personal view—and this is not a decision made by government—is that there is a role for complementary protection in the system. I am interested in seeing if we can do something in that regard but, as I say, the government has not formally taken a position. If you ask me my view I will tell you there is a role for it. Obviously all these things are connected. If you make amendments to ministerial intervention powers you have to replace that with other measures. I was hoping for simple solutions but they are much more complicated than I had hoped. But all of that does come together. As I say, I am happy to kick off a bit of a debate among those with an interest in those issues.

I know the whole sector have become very focussed on complementary legislation. I have been making the point to them, though, that in terms of what comes across my desk, it is not as big an issue as some of the sector seem to think. Out of the total number of cases where the key issue is the inability for them to successfully have a RRT claim recognised because of that hole in the system, the number that have so far been across my desk would be very small.

I do not think it is widely understood, but many applications that are seen as asylum seeker applications concern people who have overstayed visas, who become unlawful in the community, who have been in the country for 15 years and have four kids, who are paying tax and are well-established citizens of this country and who are looking to regularise their immigration status. They make an asylum claim as a means of getting to ministerial intervention. It has become the way you get your immigration status fixed. They keep having a go until one immigration minister says, ‘Oh, bugger it; they’re not going anywhere so we’ll let them stay, because I’m not going to go and drag their kids out of school and put them on a plane.’

What has happened, which Senator Barnett identified, is that the minister was not prepared to grant them a visa, the department was not prepared to remove them and so they just stayed in limbo. I do not think that is a satisfactory public policy response. I am not making a political comment here; I think this goes back a long way. I just want to make the point. When I see some of the commentary in the newspapers from advocates, it is as though everyone we are talking about are boat people who have been detained for years et cetera. What I see are a lot of spouse applications and a lot of people who have been in this country for many years, with well-established links, who are looking for a resolution of their immigration status. They apply under that section of the act because the only way they can get to me and a decision by a minister is through that process. That is why I would like to get a bit of transparency in this. When you look at the interventions—and people make commentary about the number of asylum seekers one has or has not let stay—you will see, for example, a Fijian male, who has been here for 15 years whose kid is at Monash University, the other three kids are in high school, and he has been paying taxes and owns two properties. He is not really seeking asylum; he is seeking to get his immigration status resolved.

Senator NETTLE—Going back to questions about complementary protection, I accept what you say that the government has not considered or made a decision in relation to that. Is

the process by which the government would be able to make a decision based on that part of the report that you were talking about releasing, followed by public inquiries?

Senator Chris Evans—The report has been completed, but a discussion of the report will throw up that debate. Recently I met with Amnesty International, a number of the church groups and a number of the legal and advocacy groups. They all raise complementary legislation. Clearly, there is a bit of a campaign going on in that regard and that will be part of the debate. In the end, you are talking about reforming the system—you cannot just pick out one section of it—and part of that involves considering how you deal with those cases in a revised or reworked system.

Senator NETTLE—You said before you that you do not necessarily think that the ones that come across your desk would fall under complementary protection. Is the way you were talking about complementary protection there relating to conventions, such as torture conventions or other conventions that apply?

Senator Chris Evans—Yes, I am just talking about the case load. I am saying that I am not seeing hundreds of applications that have been knocked back on the basis that the RRT would have liked to have intervened but could not because of its constraints. I am not seeing a lot of people who are applying under—

Mr Hughes—Who fear persecution or related—

Senator Chris Evans—Yes, perhaps Ms Keski-Nummi could answer that.

Ms Keski-Nummi—In relation to the issues both in the primary and RRT areas, there is not a large number of people who would engage with ICCPR, CAT or CROC. We are really looking at the international treaty obligations. I think what the minister is referring to is the issues paper that we need to prepare. That would also be looking more broadly at other humanitarian type issues that we would need to take into account. We are not even going to speculate on what they are at the moment.

Senator NETTLE—Of the ones that are coming through now, is it about five per cent of them or—

Ms Keski-Nummi—It would be in the order of five per cent or under.

Senator Chris Evans—I have to be careful how I phrase this, but I think it is fair to say that the MRT and RRT are conscious of the difficulty and they have in the past—and I have seen files that have come to me in the first pass and ones that Mr Andrews sent earlier—on occasions raised concerns in their decisions about there being humanitarian concerns that are outside their remit and that they thought the minister, if he or she is considering a 501, might like to consider. So that, if you like, was flagged in their decisions. I know the former minister looked at that on a number of files and I guess I can indicate to you that when I met with the principal member of the MRT and RRT the other day and a few of his senior colleagues I indicated to them that I would be very happy for them to do that when considering cases if they had concern that the case before them might raise issues which caused humanitarian concerns that they were not able to address given their charter—that I was happy for them to indicate that in their decision. I think there are some legal issues around that and we will pursue that because obviously they have to be careful in terms of their decision making. In

essence, there are some informal things in the system that help pick up some of those issues, but it would be much better to have a clear complementary protection mechanism.

Senator NETTLE—What proportion of your time would be spent on ministerial interventions?

Senator Chris Evans—Most of last Saturday!

Senator PAYNE—No soccer that day, Minister?

Senator Chris Evans—No. As it turned out, my son got a better offer and went out to the movies with his mates and I got a lot more ministerial interventions done than I would normally. I could not calculate it, but it is the case that I take each file very seriously, as I am sure my predecessor did, so you do not do them quickly. It is a workload but my concern about the process is not workload; my concern is the lack of transparency, the lack of responsibility to explain the reasons behind a decision. I do not think that decision-making power should primarily be in the hands of a minister unless there are exceptional circumstances, and this is no longer an exceptional circumstance; it is part of the system. People go the ministerial intervention route as the way of getting cases resolved that are not properly dealt with in the system or as the next level of appeal. Some just go straight to the next level of appeal. People file claims in order to get to ministerial intervention—claims that have nothing to do with asylum seeking or seeking our protection. It is not a workload issue, although there are an awful lot of files and it takes a lot of time, but it is a question of whether that is good public policy, and I do not think it is.

Senator ELLISON—Madam Chair, one point was made earlier about the disclosure of interventions by the previous government. I recall at a previous estimates that it was the subject of questioning and those details, whilst they were not published as a matter of course, were given at estimates hearings.

Senator Chris Evans—What I found, Senator Ellison, when I examined them was that there are so many provisos on them, so many instances of oranges being compared with apples, that I am not sure they are a fair reflection on previous ministers or a good explanation of what has occurred. I am pursuing better information but Mr Hughes will probably help with that, because I know when I have asked him the question before, I have come away concerned about whether I could use that information in a meaningful way. Perhaps Mr Hughes could explain a couple of the complexities.

Mr Hughes—I think you are right that there have been various figures published before. Where it has become very difficult is when conclusions are drawn from the raw figures about the particular decision-making or intervention-behaviour of ministers. Some examples are: you might recall that the previous government decided to deal with the cases of 1,400 East Timorese, who were in Australia at the time, using the ministerial intervention power. Therefore, for example, partly under Minister Ruddock's period of office, and partly under Senator Vanstone's period of office, that cohort of people was encouraged to seek intervention. I think all 1,400 of them benefited from intervention, which created a large lump of interventions that were out of the norm, if you like, of previous years because there was never such a significant homogenous group of people approved through that intervention power.

Equally, I think, when Senator Vanstone became minister and was assisted by Mr McGauran and then by Mr Cobb, they shared the ministerial intervention workload, so you had more than one minister in the portfolio handling intervention cases. Therefore, when you look at the raw figures you can start to apply percentages, but they actually do not mean much unless you understand all the underlying complexities of the different caseloads that we were going through at the time and the different cohorts of cases that were handled. It is just a simple matter—the raw figures do not tell you very much without knowing the underlying history.

CHAIR—At this point we will break for afternoon tea. We will come back at 10 to four.

Proceedings suspended from 3.32 pm to 3.50 pm

CHAIR—We will resume with Mr Metcalfe.

Mr Metcalfe—Thank you, Chair. Earlier, Senator Ellison asked me about the seeming disparity, on page 18 of the portfolio budget statement, between the budget estimate for administrative revenue from the application for migration to Australia this year and next—it being a larger figure this year than next, notwithstanding the significantly larger migration program. The answer is that the figure represents the estimate of receipts of money calculated by applications. Therefore, it does not correlate to the number of visa grants but is, rather, an estimation of the number of people who apply to migrate to Australia. Of course, a smaller number of people actually succeed. So while there will be an increase in the migration program, we are expecting the receipts from the first instalment of the application fee to drop slightly. In the current financial year, 2007-08, we had a surge in applications because of the changed qualifying arrangements for general skilled migration on 1 September last year, which we believe saw a large number of people make an application so that their application would be considered against the criteria that applied prior to 1 September 2007. The short answer is that the receipts relate to applications received, not to visas granted. Therefore, we believe that we will manage an increase in the migration program, with the number of applications remaining roughly the same as last year, acknowledging that there was a peak early in the financial year because of a surge of applications.

Senator ELLISON—What is the increase in the visa fee?

Mr Metcalfe—I think the visa fee is changing only by an index factor, but let me check that particular point as well. I do not think a change in the fee is of itself an issue; the issue is simply the number of people we expect to apply for migration.

Senator ELLISON—I am curious that when you have an increased migration program you get fewer applications.

Mr Metcalfe—Yes. We will deliver a larger migration program next year, probably from many people who have actually applied this year, because of the time lag in assessing an application. We are expecting roughly similar numbers of applications from which we will draw the migration program. There was a surge last year because a large number of people put in applications because of changes to the program requirements in September last year. I will check on the fee and come back to you in relation to that. I think that the fee for migration is only changing through an annual indexation amount. It would be a few percentage points, which is not a large change.

Senator ELLISON—So you would reject the notion that the fee increase in the visa is warding people off and causing them not to apply for migration.

Mr Metcalfe—There is no relationship there, Senator. There have been a couple of changes to application fees—larger amounts—elsewhere, but the change in migration would only be a matter of a few per cent relating to annual indexation, which is a routine procedure. We are basically saying that the number of migrants is a subset of the number of people who apply for migration. We are confident that we will deliver the migration program based upon the figures in the budget, noting that many of next year's migrants will have applied this year.

Senator ELLISON—While you are on that page, figures under 'Application for visitor visa' indicate quite an increase in 2008-09.

Mr Metcalfe—Yes. That fee has increased by a reasonable amount.

Senator ELLISON—Is that increase in the visa fee the reason for the extra money?

Mr Metcalfe—I will check with our accounting experts, but my presumption would be that that would represent an estimation of the increased fee as the major measure, possibly with an estimate of larger visitor numbers—bearing in mind that that fee applies to non-electronic travel authority visas where there is actually a paper based application. That represents key markets such as China, where we are seeing large increases in visitor visa applications. It would be a combined effect of an increased fee level, together with an increase in estimated numbers. If I am incorrect I will correct myself during the day.

Senator ELLISON—Are there negotiations under way with a number of countries for agreements in relation to working holiday visas?

Mr Metcalfe—Yes there are. Mr Hughes or Mr Vardos may be able to provide some more detail. We have been looking at where we can expand working holidays. Of course, it was terrific when we were able to sign a working holiday agreement with the United States last year. It is an area which we continue to pursue.

Mr Vardos—New working holiday and work and holiday arrangements under discussion include countries such as the Czech Republic, Portugal, Switzerland, Latvia, Austria and Spain. That first group was working holidays, subclass 417. The second group subclass 462, which are work and holiday, include Brazil, Mexico, Indonesia, Israel, Malaysia, Papua New Guinea, Poland and Mauritius.

Senator ELLISON—Are they reciprocal agreements to the extent that we get the same rights as we give other people?

Mr Vardos—Reciprocity is a key element of the negotiations.

Mr Hughes—I can add something to that. In that context, a reason it can take some time to negotiate and conclude a working holiday maker arrangement is that, although our system is flexible and capable of dealing with it, quite often there are significant changes required in other countries' processes to accommodate the concept.

Senator ELLISON—What are the age limits for the working holiday visa?

Mr Vardos—Eighteen to 30.

Senator ELLISON—Has any thought been given, Minister, to broadening that age group? It is, I think, quite a popular visa and one which has worked quite well.

Mr Metcalfe—Forty is the new 30 I think, Senator.

Senator ELLISON—I subscribe to that and 50 is the new 30.

Senator Chris Evans—There have been requests made and I think the Queensland state minister has done some press on it. The department can give you a better explanation, but effectively you do not want to start corrupting the purpose for which the visa is there. As we discussed with some of the regional definitions, what seems like a good idea actually undermines the essential purpose of the visa. It is a visa designed for those younger people holidaying and doing a bit of work. It is not a work visa as such. Mr Hughes might want to add to that.

Mr Hughes—I cannot give you a much better explanation than that because I think the minister is spot-on. Also, if the arrangements become too widespread and age limits start to go up, there is the potential that it could possibly be in breach of WTO offers or free trade agreements—if the scheme changes from basically a youth holiday exchange with work thrown in as something that can be done whilst the holiday is being pursued. If the nature of the scheme is changed too much, by things such as raising the age limits, then some other considerations start to creep in.

Senator Chris Evans—Could I just interrupt and provide the report that I said to the committee I would provide, which is on the ministerial intervention figures. I just want to have absolute clarity. The figures provided are for finalised requests, that is, where there is a final decision. So it does not include the first-pass statistics because, as you would understand, they then flow into the finalised decision a month, six months or a year later. It was unfortunately defined as ‘total cases seen by minister’; that is not right. The total cases finalised by the minister were 472 in the January-March quarter, of which 187 visas were granted. The total 417 cases finalised by the minister, that is me, in that quarter was 392, and the total visas granted there was 116.

I actually saw about 1,000 cases but they have gone back in—they were the first pass—for the best figure to use at the moment is finalised cases and those are the finalised case numbers but the number I have seen are much larger. I make the point though that a large number of those finalised cases are cases that were originally considered by the previous minister, so before people start jumping to over-interpret the data which is one of my concerns—it is not that I have not finalised in terms of signing off, but a lot of these are the second pass of Mr Andrew’s decisions. They have been signed off from me, so I am confident with the decision but—just to give some explanation—they are finalised requests and do not include those that have been, if you like, around the first time. I hope that clarifies it for senators.

Senator NETTLE—Senator Vanstone used to talk about the guidelines she used for ministerial interventions and I just wondered if you still use those same guidelines or if there have been any changes?

Senator Chris Evans—I am not sure to what she was referring; are these her internal guidelines?

Ms Keski-Nummi—These are the ministerial intervention guidelines and, yes, we are still using them.

Senator Chris Evans—I think the implication though is if they were guidelines of her decisions.

Senator NETTLE—Maybe they were. I do not know.

Senator Chris Evans—I just want to clarify that.

Ms Keski-Nummi—No, they are guidelines for officers to use to consider whether it should be referred to the minister or not.

Senator Chris Evans—It is the departmental process where they say, ‘Yes, there is new information,’ or ‘It ought to go to the minister,’ or ‘No, there is nothing that would require this to go back up to the minister.’

Senator NETTLE—They are used by the department more than—

Senator Chris Evans—Yes, that is right. I did not want to confuse you. I do not think Senator Vanstone was referring to decision principles which she applied when she came to decisions. She was talking about departmental processes; those remain in place and in terms of my decision-making I am attempting to develop some for myself—to develop consistency which I will not be making public, but that is one of the problems: they are not reviewable; they are not public. It is about having personal discipline to try and ensure consistency across decision making but the guidelines she was referring to are the ones the department applies.

Senator NETTLE—My recollection of one of those was there was something that related to relationships with families, children, citizens or people who were here, which goes back to what you were referring to before about many of these cases are people who have connections. I just wondered whether the government has considered a number of different countries at various times and said, ‘All right, we are going to do an amnesty in relation to overstayers or long stayers.’ Is that something the government has considered or when was the last time that was done?

Senator Chris Evans—There will not be any amnesty. It is a very blunt instrument; it creates a whole range of other policy problems. I accept there a whole range of legacy issues and I am looking at ways we can address those and changes to the system et cetera but I do not think an amnesty is a sensible response. So we will deal with the legacy issues as best we can and try and drive the system towards one which is more efficient and transparent but there will not be any amnesty.

Senator NETTLE—Thank you, that was all I have.

CHAIR—That is all you have got for 1.1 is it?

Senator NETTLE—Yes, that is ministerial interventions for me.

Senator ELLISON—I am still on 1.1, and Senator Boswell has got some others. There were changes made to the electronic authority system and I think back in late April—21 April—there was a statement which said:

... in a small number of cases, some additional processing will be required.

What does that mean and what have the changes meant?

Mr Metcalfe—Sorry, could you just take me back to the quote that you provided?

Senator ELLISON—I am referring to the changes to the electronic travel authority system which we mentioned earlier. The statement on the website said:

... in a small number of cases, some additional processing will be required.

It seemed to indicate that there is another step involved other than the electronic processing. I just wondered what that meant.

Mr Metcalfe—I will check on that. I think that might be something that we will deal with under border security. I just want to make sure that we are talking about precisely the right thing. Let me check on that and we can certainly discuss it when we get to that item.

Senator ELLISON—No worries. In relation to temporary residence, revenue sanctions and infringements, page 18 of the portfolio budget statement, does not seem to provide a figure for estimated revenue from fines for sanctions applied, such as an employer sanction. Is there any reason for that? You may as well look at 457, visa sponsor infringements. There is an estimate there for 2008-09, but none for 2007-08.

Mr Metcalfe—What page is that Senator?

Senator ELLISON—That is also page 18. What we are looking at is in the table dealing with administrative revenue you have mentioned that in 2008-09 sponsor infringements for 457s, and there is no mention at all for employer sanctions. I am just asking if you could explain why that is the case.

Ms Prothero—In relation to the second question, 457 visa sponsor infringements, the reason for that is that the infringements were to come out of legislation which was due to be passed in 2007-08. It has not yet been passed, so no revenue has yet been collected under that particular measure. I am not quite sure in relation to the employer sanctions; I will find that out for you.

Senator ELLISON—Will you take that on notice?

Mr Metcalfe—We will come back to you as soon as we can on that one. The legislation that Ms Prothero was talking about was that, as the minister indicated earlier, there was a bill before the House when parliament was prorogued and the minister has indicated that that legislation will be brought back to parliament in a modified form.

Senator ELLISON—I understand that.

Senator Chris Evans—The sanctions bit will be in those, so the revenue measure will come on stream.

Senator ELLISON—On that point of 457s, Madam Chair, I understand that Senator Boswell has some 457 questions. It might be appropriate if we can deal with him so that he can leave.

CHAIR—Senator Boswell, we will go to you.

Senator BOSWELL—I wish to put on the record that I did have a holding in an abattoir, but I have sold those shares. I do not have any holdings in Kilcoy Pastoral Company, they have been sold, but I do take an interest in the meatworks industry. Will people who came in on a 457 visa prior to two years ago who were on a rate of pay that was determined by an

award or an industrial instrument, and this was approved through a regional certifying body, now go from the approved rate of pay to the minimum salary level?

Senator Chris Evans—We are going to get the officer, Senator Boswell. In earlier times people came in under different sets of conditions. So while there are straight 457s here and the new ones get the higher rate, there are different impacts for those other groups. I think this may be one of the groups that has a different impact. I will get the officer to answer that specific question.

Mr Metcalfe—Would you just bear with us, Senator.

Senator Chris Evans—This is quite detailed. It will require a complex answer.

Mr Metcalfe—It might help if you could repeat the question now that the officer is available.

Senator BOSWELL—Will people who came in on a 457 visa prior to two years ago who were on a rate of pay determined by an award or an industrial instrument and approved through a regional certifying body now go from the approved rate of pay to the minimum salary level?

Ms Daniels—There have been a range of MSLs over time but people who were granted a 457 before 2006 were not subject to an MSL because they were covered by industrial awards at the time. They would not fall under the MSL framework and hence they would not be subject to the increase. As I mentioned to you before, some 680 fall outside the MSL framework due to the pre 1 July 2006 regional concession. There is that small group that is not within the framework.

Senator BOSWELL—Anyone that came before—what is the date?

Ms Daniels—Before 1 July 2006, but only if they were subject to a regional concession because that group did not come within the MSL framework until that July 2006 date.

Senator BOSWELL—What are you doing with these regional certifying bodies? Are you removing the regional certifying bodies? Are they no longer there?

Ms Daniels—Regional certifying bodies are still in place. We have 60 regional certifying bodies around the country.

Senator BOSWELL—Do they now determine the wages—or what is it called?

Senator Chris Evans—Minimum salary level.

Senator BOSWELL—or is it the minimum salary level?

Ms Daniels—Regional certifying bodies, for those decisions that fall under their purview, can determine that a position will be paid the regional MSL. But in any event, as we have said earlier, if an industrial award or instrument requires that somebody be paid the higher rate, it is that rate that applies not the MSL.

Senator BOSWELL—The 680 people excluded do not get the MSL?

Ms Daniels—They were not within the MSL framework because it did not apply to them.

Senator BOSWELL—Now that the minister has made this decision that it goes up by 3.8, do their wages go up by 3.8?

Ms Daniels—They are not impacted by that decision.

Senator BOSWELL—How many people are impacted by the 3.8? I take the point, Minister, that you raised. We set this up and you have embellished it or built it up more. I also acknowledge that you have expanded these 457 visas, which I believe is a good thing. Can you tell me what number of people are going to be impacted by the increase?

Mr Vardos—Of the approximately 68,000 primary visa holders of subclass 457, we estimate that about 24,000 may need to have their salaries increased by 3.8 per cent depending on their individual circumstances and in particular whether their employer has increased their salary over time anyway.

Senator Chris Evans—We do not actually know, Senator Boswell, in the sense that these are people who said that they would pay the MSL but they may be paying higher already, you see. But the department estimated that, of the 68,000-odd people here as primary visa holders, it is about 24,000. It is an educated guess in the sense that we do not know exactly. We have undertaken to go out and consult employers and advise them of the impacts of the changes. I am very happy to offer a briefing to the meat industry and to you on the detail of the impact on the various classes. As I indicated to you earlier, with those legacy groups that came in and were not on the MSL, it is quite complex and they are not subject to those changes. You also have people who have been moving between employers et cetera. I guess what I am saying to you is that I know it is not easy to grasp. There is a lot of detail. So we can give you a briefing and I am very keen to make sure the employers get fully briefed as well.

Senator BOSWELL—Thank you for that, Minister, but my concern is that it appears that we were paying over the award and now you have increased that, which is going to take some wages up to \$8,000 to \$10,000 over the award.

Senator Chris Evans—As I said to you before, under the long-established arrangements, the MSLs have been applied and regional employers have a concession at the lower rate of the regional MSL. As you now understand, that did not necessarily bear any relationship to the award rate. It may have been above the award rate. I think it was prior to this decision and it will be subsequent to this decision. But of course the award rates move as well.

What you are really getting to is a policy issue, which is: should the MSL be struck at a market rate, a market rate plus a loading, or should there be just the one MSL across the economy, as it is now? I have indicated that I think it is reasonable for us to have a debate. What we have now is a situation where the MSL acts as a barrier to people working in some industries and is irrelevant for some in other industries because there are much higher rates. But a lot of employers say to me—like those in the meat industry—that the MSL makes the overseas worker too expensive. When your government set up the scheme, you did so with the intention of ensuring the overseas worker was more expensive so as not to undercut job opportunities for local workers—a perfectly reasonable response.

We have had a growth in the scheme, a growth in labour and skills shortages, and the scheme increasingly being used for people on a lower skill level than originally came in and, with the regional concessions, a lower skill level still. Therefore the tension between what may be the going rate in that industry and the MSL might well mean that there is a larger gap. Some industries say to me, ‘We cannot afford to bring in overseas workers. We cannot get

anyone to do the job, but we cannot bring them in because it is worth \$10,000 more than the going rate in the industry.' That is right. So one of the things we are looking at is how you manage that problem. Is the MSL still the most appropriate way of setting the wage rates in that industry, given that it is so clunky and inflexible across industries? What you would regard as the going rate for an electrician in the mining industry in Karratha and the going rate for an abattoir worker in North Queensland are obviously very different, but we have one regional MSL.

Senator BOSWELL—So you are saying that an abattoir worker gets paid the same MSL as an electrician?

Senator Chris Evans—Yes.

Senator BOSWELL—Well, that is inequitable.

Senator Chris Evans—I am sure they do not get paid it, but in terms of their legal responsibilities it is the same.

Senator BOSWELL—Yes, I understand that. What we have created is a two-class society. It seems to me that, whether we did or you did it, it is very unfair that an Australian meatworker, probably a guy that is a member of the union—they are all heavily unionised—is working beside a guy who probably has good skills, but no better skills, but is getting paid \$8,000 to \$10,000 more. Two things will happen. Either the Australian will say, 'Stick this up your jumper; I'm not going to do this,' and walk out, or the meat works will have to up the rate. There is a limit to how much you can up the rate and make a profit with the dollar where it is.

Senator Chris Evans—As I say to all the lobby groups that come through my door, 'Come to me with the solution, not the problem.' You and I identified the problem. I agree with you; you have a fairly good handle on the problem. Now we have to work on that solution.

Senator ELLISON—That is for government, isn't it?

Senator Chris Evans—It is one you left me, though, Senator Ellison.

Senator BOSWELL—You cannot just—

Senator Chris Evans—That is why I have commissioned an industrial relations expert, Barbara Deegan, to work with industry, unions and the state governments to work through these issues. They are complex. Also, there are health costs and there are questions of families and their children requiring education. So when you bring in temporary workers there is a whole range of implications—health and safety, English language. One of the things that actually stopped a lot of workers coming into the country was that the previous minister made a snap decision to raise the English standard for new 457 holders. As a result of that, a large number of potential workers were ruled out immediately because they could not meet the English standard.

Senator BOSWELL—I have been into these abattoirs. They usually have one or two people that can speak English and they interpret for the rest of them, so I do not know how anyone got in here.

Senator Chris Evans—Prior to the announcement by the previous minister in May 2007, they did not have the English language requirement. He then introduced that, which saw a spike in applications prior to the change. Effectively, the new standard meant that a whole group of people who would have been brought in previously could not come into the country because they could not meet the English standard. I think we saw quite a drop-off in Chinese 457 workers coming to the country because they could not meet the English standard. What you have also tended to see as a result of that is more people being attracted from the Philippines, because their English standards are naturally higher. There were a range of changes the previous government made under pressure that were not, in my view, well considered. They were very poorly received in industry. A lot of industries were concerned about those changes made in the last year of the previous government. What I am trying to do with the inquiry by Barbara Deegan is wrestle with those issues, together with unions, employers and state governments. I do not know where it will come out, but one of the issues is your issue, Senator Boswell, of market rates versus MSL.

Senator BOSWELL—The problem is—whoever has done it—the high jump bar has been set, and you cannot take it from people. We have this inequity. I think it is pretty unfair—you know what I am talking about.

Senator Chris Evans—Yes, and I am happy to engage with people about it. The meat industry and others have been to see me. I had the snow industry in yesterday about the ski fields issues and similar sorts of issues about bringing in ski instructors et cetera. There are a range of issues in this area. What I have been saying consistently is: there is a need for this sort of scheme to fill skill shortages, but it will only work—it will only survive—if the Australian public have confidence in its integrity. So we have to make sure there is that confidence.

Senator BOSWELL—Taking the Charleville incident, there is just no-one left in Charleville that is available for a job. Everyone is either working in the kangaroo works or is in the goat works. There is just no-one available. There is not any unemployment in the town. So it is not a question of saying, ‘We’ve gotta make sure the Australians get the jobs’—there are no Australians left there to do the jobs.

Senator Chris Evans—I think in certain regions in the country that is right. I find it ironic that—and I know you were a great campaigner against Pauline Hanson—I now find regional Australia crying out for people of Indian or Chinese descent and being very welcoming of those people coming into rural and regional areas—or Afghanis et cetera. It is an interesting development. The economy has changed.

Senator BOSWELL—People realise that those people bring wealth into the towns.

Senator Chris Evans—And they meet skill needs. They also settle and their kids go to school and the families shop and it has been the saving of a lot of rural communities, as you would understand. But it is a complex picture and there are a range of problems that have got to be addressed. As I say, the scheme has changed. We were not bringing in meatworkers 10 years ago. We were bringing in doctors and nurses and engineers. We are still doing that—they are still the vast majority—but we are now bringing in welders, stonemasons, cooks and meatworkers.

Senator ELLISON—Madam Chair, may I carry on with 457s, as it has been started.

CHAIR—Sure.

Senator ELLISON—Firstly, what is the current backlog of 457 visas? Is there a differentiation between primary and secondary?

Senator Chris Evans—While the officers are getting their thoughts together, I think that you would be aware that there was a serious backlog in applications. I have made it very clear to the department that I wanted that backlog eradicated and the secretary has put effort into that. So as well as the longer term change to three processing centres the secretary is using overtime and other means at his disposal to try to address the backlog. I have had one report and another report is due to me at the end of May. I have made it very clear that there is a performance target for the end of June—

Ms Lewis—You have, Minister.

Senator Chris Evans—on which the department seized.

Ms Lewis—As at last Friday we had an onhand caseload of 10,359 visa applications for 457s. Of those, 3,999 were outside the published service standard. The service standard is two months processing. Seventy-five per cent of applications which are low risk, and that low risk means applications from people who are from ETA eligible countries, have to be processed in two months, and 75 per cent of high risk in three months. At the end of March we had an onhand caseload of 14,300 and of those almost 7,800 were outside the service standard.

Mr Metcalfe—Senator, some of the reasons for applications being outside the service standard are that quite often applications are not sent to us with all the details that we require. We may need further information from the sponsor or the applicant. So one of the things we are seeking to do is not only put the substantial effort, as the minister has mentioned, into reducing the backlog but also to work with sponsors and with applicants to ensure that the material we receive is complete so we can proceed to a decision without having to follow up and make further inquiries. While there are certainly backlogs that we are actively addressing, part of our strategy is to ensure that applicants help us to help them by giving us decision-ready material.

Senator ELLISON—How do you work with them? Do you give them guidelines? I mentioned earlier the guidelines by which you operate, and migration agents being informed of them is one example. How do you do it?

Mr Fox—You have outlined, indeed, some of the things we are doing. We have been engaging with the industry and with employer groups through our network of outreach officers to provide them with information as to what we require in order to maximise our efficiency and enable us to make decisions as quickly as possible. As the secretary indicated, we have been having quite a few applications coming in without, for example, the requisite health information or the evidence of the English language requirements, which we know are needed. So we have been working with the migration agent industry and with employer groups and nominators and sponsors to remind them of the guidelines that have been in place for some considerable period of time.

Senator ELLISON—With respect to clearing the backlog, between December 2007 and the situation now, has there been an increase in staff working on the backlog?

Ms Lewis—Yes, there has. Over the last eight weeks we have worked with the service delivery network to ensure that they have additional resources to assist them clear the backlog. Those resources have come from a variety of sources. In some offices there are staff who previously processed 457 visa category applications and who had moved on to other areas. They have now been moved back into the 457 teams on a short-term basis because of their expertise.

Some officers are doing overtime. The other thing we have done is to work with the network to change the business process so that we assess applications within 48 hours of receipt. That gives us a much better opportunity to process applications within service standards. For example, if we receive an application where somebody has not completed their medical assessment or they have not given us enough documents to make an assessment, we are writing out to them giving them 28 days—which is the legislated time frame—in which to provide us with that information so we are better placed to make a decision. Where we receive an application that has all of the documents we need, certainly in our bigger offices—Sydney and Melbourne—those applications are being finalised now within 48 hours.

Mr Fox—Just on the number of resources, to supplement what Deborah said, the data that I have got says that as at February 2007—and I do not recall exactly which date you asked for—

Senator ELLISON—December 2007, so six months.

Mr Fox—I do not have that. But as at February 2007 we had about 195 staff working on processing of 457 visas; as at 31 March this year we had 225. So that is about a 15 per cent increase in that 12-month period. We have actually, as Deborah indicated, put even more resources into that in the meantime.

Senator ELLISON—Since March?

Mr Fox—Yes, since March.

Senator Chris Evans—The program has grown, of course.

Senator ELLISON—Can you give us an idea of how many more staff since March?

Mr Fox—We will have to take that on notice.

Mr Metcalfe—We should include that we certainly are asking some staff to work overtime as well. The minister has set a very clear task for the department to reduce backlogs to nil by the end of June. You know we are very focused on that, as Ms Lewis has indicated. Part of that is applying more staff to the effort and part of it is getting those staff to work longer to try and get us in a position where we then can manage within service standards or better the incoming receipts. Part of that strategy is working with the industry and the employers, the sponsors. One of the other things we have done is to make some minor changes to the electronic lodgement process, the so-called E457 form, to make it simpler to use. So there is a concerted range of activity underway to try and make our system as responsive as we can and as quick as we can.

Senator Chris Evans—There are some budget measures, Senator Ellison, directed at training and outreach with industry as part of the package of 457 measures, so there are actually some budget initiatives as well.

Senator ELLISON—You mentioned overtime. Could you give us—you will no doubt have to take this on notice—the hours of overtime that have been worked in relation to this?

Mr Metcalfe—It will probably be an aggregate of how much is worked or something, but we will take that on notice.

Senator ELLISON—And how many visas have been processed since this initiative commenced?

Mr Metcalfe—I think Ms Lewis has given some information.

Ms Lewis—We can give some more detail around that.

Mr Metcalfe—We are due to report to the minister again in due course, so I am sure there will be ongoing information.

Senator Chris Evans—Not due course; two days time—30 May I think was the agreed date.

Mr Metcalfe—I always chose my words carefully, but in two days time we will give the minister another report.

Senator ELLISON—You mention you have got the staffing level, which has increased. What is the optimal level of staffing? You have got to clear the backlog, but then you have got to keep it going, and we have got an increase in this area, which everyone is talking about. Have you worked out what sort of staff you will need after the backlog is cleared?

Mr Fox—Not specifically, but you might recall that the minister announced recently that we will be moving towards three dedicated processing centres for 457 visas with effect from 1 July this year, rather than doing it in every single office that we have around Australia. As part of that—

Senator BARNETT—Where will they be?

Mr Fox—They will be in Sydney, Melbourne and Perth. And as part of that process—

Senator Chris Evans—Hobart has already got its section, Senator Barnett.

Mr Fox—As part of that process we will be looking at what are the optimal staff numbers in those new centres. So the figures as at today around the country will be different to what they will be after 1 July. Obviously we will need a bit of a transition period into that, so those other centres will continue to deal with any on-hand case loads they have as at 1 July.

Senator ELLISON—Those centres start on 1 July, do they?

Mr Fox—All new applications from 1 July will go to Sydney, Melbourne or Perth.

Mr Metcalfe—In terms of the optimal figure, there never will be a static figure because this is a demand driven category. We have seen significant increases in visa applications in previous years and the resource arrangements that I mentioned earlier with the department of finance are responsive to this type of increase.

Our objective is to create the most efficient system through the creation of those three processing centres. That creates expertise and it creates efficiencies in terms of scale. We are looking to work with the industry and employers to try and ensure that the material we receive allows us to do our job as quickly as we can. We are looking to ensure that our electronic lodgement and other processes work as effectively as they can and we will constantly monitor how our system is performing and make adjustments if necessary. And I say that confident that we will have the ability to attract resourcing if we continue to get an increased application workload.

Mr Vardos—Senator, can I just add that the budget measure that the minister referred to will allow us to put an additional eight outreach officers into the field to engage with sponsors.

Senator ELLISON—Where will they be operating?

Mr Vardos—Around the country.

Senator Chris Evans—There is already an existing scheme; it is a question of reviewing that. For instance, there is one at the chamber of mines in Perth and there is one at the chamber of commerce. There is very strong support from industry for them. They have done a great job in education and support.

Senator BARNETT—Where will they be located?

Senator Chris Evans—As I say, they are out there already; we are just supplementing them. There will be some adjustments, obviously, in terms of demand.

Mr Metcalfe—Essentially, they are departmental officers who were placed in industry associations, chambers of commerce, both at national and state level, and the budget does bring some additional resourcing there. I do not think we have made decisions as to placements yet but we will obviously think about that carefully. As the minister says, a very well received initiative. I was speaking to the Australian Industry Group the other day and the head of the WA chamber of commerce specifically commented in that meeting about the positive benefits of our outreach officer in assisting them to access our system and to make sure it is responsive to their needs.

Senator Chris Evans—Everyone who has got one sings their praises, and everyone else wants one.

Senator BARNETT—Of course, and that is why we are interested to know the location—if you are happy to take that on notice.

Mr Metcalfe—If you would like to know the location of the existing officers, I will take that on notice. At this stage I do not think that we have got decisions about where any new positions might be placed.

Senator ELLISON—We are still on 457s, but I have a quick question about labour agreements. How many have been submitted to the department and have not yet been finalised? Since December 2007, have any been refused? Also, while you are looking for that, how many have been approved since December 2007?

Mr Vardos—As at 7 May 2008, there are 55 current labour agreements: 12 with state and Commonwealth governments, 26 with other companies on the basis of non-template agreements, six with the meat industry, three with the mining industry and eight with on-hire companies.

Senator ELLISON—Are they all since December 2007 or are they just ones in existence at the moment?

Mr Vardos—They are current as at 7 May 2008. I could not tell you when they commenced.

Senator ELLISON—Can you tell how many have been refused or approved since December 2007?

Ms Daniels—A number have been approved since December 2007. I might not have the precise figures but a number of on-hire agreements have been concluded since that time. In terms of those that did not go ahead, I know a couple of requests to access a labour agreement by on-hire companies did not proceed because one of the terms of the labour agreement requires positions within ASCOs 1 to 4 and the company was seeking positions outside those ASCOs, so a couple have being refused on the basis.

Senator ELLISON—Perhaps you could take it on notice to get the precise numbers.

Ms Daniels—Sure.

Senator Chris Evans—Could I just indicate for your information, Senator Ellison, that this is the dual process with DEEWR, and both I and the Deputy Prime Minister and Minister for Employment and Workplace Relations have to sign off on it. One of the things I have been pushing for is that we have a much more coordinated process because people have to deal with both departments. I am very keen to try and unify the process. Certainly in terms of major resource projects I want to get a one-stop shop going and just generally better coordination. There has been some frustration—which I think is fair—when people dealing with us think they have got the tick-off and then go to DEEWR and find there is a problem and when people going to DEEWR get the tick-off and then come to us and find there is a problem. Just so you understand: the approval process is actually signed off by two ministers and both departments end up with a negotiation with the sponsor. My own view is that that is very inefficient and we ought to be able to do better.

Senator ELLISON—How many remain unresolved?

Ms Daniels—About 120 labour agreements are under negotiation, including a significant number from the on-hire industry. We have got close to 80 in the on-hire industry within the process. Senator, I should have mentioned earlier that another group that have been concluded since the period you asked for would be a number of meat labour agreements plus a number of other individual companies. We will obviously take that on notice.

Senator ELLISON—Are there any changes planned in relation to on-hire companies and how they are treated?

Senator Chris Evans—There has been a bone of contention with the on-hire companies because the previous minister in October 2007 announced that on-hire companies would be required to have a labour agreement in place to sponsor 457 workers—that is, they were

precluded from sponsoring individually 457 workers; they had to have a labour agreement. The on-hire industry were very perturbed that the minister did not consult them prior to making that decision and have been very concerned about those arrangements. I have certainly met with them and I have got the departments to meet with them, but they remain concerned about the changes made by the previous government in October 2007. We have been trying to work with them to allay some of those concerns. We have had a series of meetings et cetera. Interestingly, not only have a number been signed in recent times but I am surprised to learn that 78 are under negotiation. Perhaps a sign that the industry is coming to terms with those issues is the number that are starting to really flow through.

I think there still are some difficulties in terms of training issues. The training requirements has been the one that has worried a number of them—about whether there is enough flexibility for an on-hire company in the training requirements base. If you are asking me whether there is some major change about to be announced, no, it is an ongoing negotiation and consideration of the issues raised by the industry.

Senator ELLISON—Thank you. In relation to more 457 questions, we have talked about the question of English language. If those here on the 457 visa seek to renew their visa, will a waiver be given to those who might not fit the English requirements?

Senator Chris Evans—My understanding is that the previous minister announced in May 2007 that it would introduce the English language standard from 1 July 2007 of 4.5 on the international English language testing system. There had not been consultation about that and there was a bit of concern around and that caused a spike in applications, as many rushed to get in before the standard took effect. Apparently, two months later, the minister had to announce a concession on the new language standard which allowed people already in the country to switch employers and seek a new visa without having to meet the 4.5 standard, because effectively you were indenturing the current 457 visa worker holders to that employer. One strength of the 457 system has been that once in the country people can change employers, which is a protection against exploitation and sort of effectively becoming indentured labour. So the minister announced that change a couple of months later. Ms Daniels, could you take us through the sorts of exact requirements for the various subgroups.

Ms Daniels—What the minister has outlined is the sequence of events since the English language requirement was introduced. In July the requirement was set in place with a number of exemptions to the English language requirement. In September came that additional exemption for people who were here on 1 July with, let us say, a four-year visa and, if they decided to change employer a year through that visa, the regulation allowed them to seek the difference between the one and the four years without being subject to the English language requirement. But that is a one-off application.

Senator ELLISON—Minister, you are reported in the *Weekend Australian* as foreshadowing a relaxation of the rules in relation to migrants' ability to speak English. I do not know if you were accurately quoted—I am always a bit cautious about that in the press—but is that a fact? If so, what measures are you considering?

Senator Chris Evans—I think the article is generally accurate but sometimes there are issues of the context of the discussion. What I was doing was saying that we need to have a

debate in Australia about both skilled and semiskilled labour coming to this country and that the sort of changes I was talking about in the use of the 457 scheme were throwing up the sorts of issues we have been talking about: health cover, English language, MSLs et cetera. The system is under strain because the system was not designed to deal with the workforce that has now been coming in under the scheme. What I pointed to was that the decision out of the blue by then Minister Andrews on the required English level had had a huge, adverse impact on a range of employers, a huge impact on the flow of certain nationalities coming into the country and a whole range of consequences that I am not sure were considered or thought through.

One of the things I have asked Ms Deegan to do is to look at the question of what English language standards are required, in particular in the health and safety context. The most important aspect of English language testing for people coming in on any sort of visa, from my point of view—and we talked earlier about the accident in Western Australia that got some publicity—is the health and safety aspect. Do they have the English standard that would allow them to operate in an industrial work environment safely, both for them and their fellow workers? That is obviously a key determinant. I think that is a really important issue and I want to make sure we have got that right.

It is not a question of me relaxing the standard. It is about us having a proper assessment, as with these other things connected with the 457 visa system, as to whether we have got the policy settings right in terms of health cover, in terms of the MSL, in terms of the English language requirements, in terms of the conditions on employers, in terms of the protections for visa holders and in terms of the penalties that would be applied to people who did not do the right thing as envisaged in the previous government's draft legislation. I want us to have a sensible and informed debate about those things.

One of the reasons it was brought to my attention is that the dive industry in Queensland raised with me that the English language test would be a problem for them because they used Japanese—and other nationality—divers to service Japanese clientele in the tourism industry. It is not their English that is the issue for them, it is their proficiency in Japanese. It indicates the complexity of the issues in terms of language.

I work, as you would be aware, Senator Ellison, in the CPO in Perth. I have an office there at the moment. Inpex, the big Japanese mining company, are there. Having chatted to a few of them in the lift, I found the people working there as engineers et cetera do not seem to have much English but they are obviously perfectly capable of operating inside the Japanese company's context and have professional skills. Should I require them, if they are coming in on 457s—they may be coming on other visas—to have English skills to work inside a Japanese company on what is one of the largest mining developments here and of huge economic benefit to Australia?

These are important issues, so all I have been flagging is that we have to have an intelligent analysis of those issues and a debate, and work out what English standard is required in what contexts. Just as with the MSL, 'one size fits all' does not work. Ms Deegan will be providing advice to government and also working, as I have said, with industry, unions and the states to try and work through those issues. I met with the snow ski industry yesterday and they have got the same issue. They are bringing in ski instructors who, they say, do not require high

levels of English proficiency for ski instructing. If they do not bring them in their businesses close because they rely, given the seasonal nature of the work, on overseas ski instructors. I made the point to them that a level of English for a ski instructor might be fine because he has just got to push you off the edge of the hill and you learn to ski, as I understand it—

Senator PAYNE—It is best if he understands the word ‘help’, though!

Senator Chris Evans—Yes, there are a couple of key phrases—but one of the other categories of worker they were looking at getting in was ski lift operators. I said to them there would be no compromising of English standards for people working in an industrial machinery situation. Again, all I am doing is outlining the complexity. There is no talk of relaxation of standards. But there is, I think, a need for some serious policy work and public policy debate about what English standards need to be applied in what contexts to people coming to Australia to work, be they coming in on the 457 or a range of other visas.

Senator ELLISON—In relation to the testing—because you would certainly concede that English is very much required in certain areas and you have to have English testing—we mentioned earlier the delay overseas. Is there an assessment as to the average time that is spent waiting to sit one of these tests, and is there a breakdown of country and location?

Ms Lewis—I could answer that in the context of the 457 work we have done over the last seven weeks. Certainly in Pretoria two months ago there was a wait time up to about September, so it was about a four-month wait period at that time. In Australia 457 visa applicants were lodging applications without having undertaken an English test, and the wait in Queensland and Western Australia was also quite lengthy—two to three months. I am sorry, the minister would be aware of this because it will be in the brief on Friday.

Senator Chris Evans—That’s all right—as I said, that’s where I learn what’s going on!

Ms Lewis—We have been working with the English test provider in Australia and they have put on extra tests specifically for 457 visa holders in Western Australia and they are now looking at doing that in Queensland and Victoria. We have raised the issue of additional testing in South Africa but we are still working through that with them. We would be able to go back and take a question on notice to get the wait times by overseas location.

Senator ELLISON—Thank you, if you could. You must have known my next question because I was going to ask what is being done to provide additional testing.

Senator Chris Evans—I think Mr Hughes might have some more information than might be helpful.

Mr Hughes—Just briefly, Senator, clearly there is a bottleneck with the particular provider because of the volume of testing, the workload that they are incurring worldwide, not just from the Australian government but from other people seeking English-language testing. We are also in negotiations with some alternative possible providers. I would rather not go into the detail of who that is because we are in negotiations, but we are looking to expand the options for testing.

Senator ELLISON—That is domestically that you are talking about?

Mr Hughes—That is internationally.

Senator ELLISON—Okay. And that could cover places like South Africa?

Mr Hughes—It could cover a wide range of countries if we are able to successfully—

Senator ELLISON—Is there any time line to that? I do not want to go into the commercial detail.

Mr Hughes—As soon as we can, but I would rather not talk specifically, given that we are under negotiation.

Senator Chris Evans—I have certainly indicated to the department that I do not see why the processes should be delayed—not because of the department—because of mechanisms like that that we contract out to service providers. The department carry the criticism for failure to process but it is actually not something they can do. It seemed to me that a broader range of providers would give us more options, so the department is pursuing those options.

Senator ELLISON—Speaking about time lines, the joint standing committee reported in August last year on temporary migration. The previous minister, due to the election, was unable to respond to that. Where are we at with this government's response to that?

Senator Chris Evans—I have a draft response before me. Is that right?

Ms Daniels—No, Minister; you do not have a draft response before you. We have started to prepare a coordinated government report response to that JSCM report. In the context of the significant reform agenda that the minister has set in place, it is our view that it probably would not have been prudent to prepare the final response to that report in advance of those initiatives having been announced. I think it is probably now timely to conclude or to feed the recommendations of that report into the working party considerations that the minister has announced. We have not gone back to the minister with these particular considerations.

Senator Chris Evans—That is right. One of the reasons was that we had the budget bids in for a range of measures in the 457. Some of those are directly relevant to the recommendations out of the report. It was a good report. There was a lot of good stuff in it.

Senator ELLISON—Yes, it was a good report.

Senator Chris Evans—As you know, I have announced a range of responses. Some of those were in the budget. Until the budget came down, it did not make much sense to respond. But I have discussed the response to it with my staff. We will get the formal response in. The reference group on the mining and other industries, Ms Deegan's work, the legislation and the other initiatives are all coming on the sorts of issues that were covered in the report.

Senator ELLISON—Just so I understand it, the working group you are talking about is that the one referred to on page 261 of Budget Paper No. 2? Under the heading 'Temporary working visas—enhanced arrangements' on page 261 it says:

This measure also includes the establishment of a departmental working group to develop a longer-term reform package to improve the responsiveness and integrity of temporary working visa arrangements.

Is that the one you were talking about?

Senator Chris Evans—No, I was talking about the external reference group that Mr Coates, Mr Shanahan and Ms Cilento did the work on for us and reported on. That is more a

sort of government interdepartmental working group that is going to go through some of those issues like the labour agreement negotiation process.

Senator ELLISON—And that is the one that I have just mentioned in Budget Paper No. 2?

Senator Chris Evans—Yes.

Senator ELLISON—So that is more like an IDG?

Senator Chris Evans—Yes.

Senator ELLISON—And then you have the Deegan review, which is underway at the moment.

Senator Chris Evans—She is on for six months but I have made it clear that it is not like I want her to do six months work and write a report; I want her to be interactive with industry, unions and state governments. So she will probably do a series of discussion papers and feedback. I am not expecting her to pull it all together in one solution. It is about using her skills to examine the issues, start the debate and see if we have some answers to some of those problems. She will obviously do a final report, but I am not going to be waiting until the end of the six months to use the material or the work she is doing. A range of stuff is going on on a whole range of fronts that are addressing the sorts of things that are in the report. We will provide a formal report, but, as you know, there is quite a lot of activity in that space at the moment.

Senator ELLISON—It is on that activity in the space that I just want to ask a few questions. There is \$19.6 million over four years allocated to that IDG. That is quite a slab of resourcing, as I see it on page 261.

Senator Chris Evans—That is not quite how I would describe it.

Senator ELLISON—It says:

The Government will provide \$19.6 million over four years ... to strengthen the integrity of temporary working visa arrangements ... by clarifying the obligations and rights ...

Then it goes on to talk about those obligations and the working group. Is that not all for the working group?

Senator Chris Evans—No. One of the officers might want to take you through that. There is that range of initiatives and there is money allocated to a series of initiatives. The working group will be like you said, like an IDC, but with ministerial engagement. That will not require the financing; that will be met out of normal officers' salaries. There is a range of measures in that package, including an enhanced bill on the one that the previous government drafted. Mr Vardos can take you through some of those.

Senator ELLISON—And could you perhaps key in how that works with these other areas of activity? We have got the ERG, with its recommendations; the Deegan review, which is underway; this working group as well, which has been mentioned; and these initiatives. They all go to temporary working visas in different areas, but I would be very interested to hear how it is all being pulled together. And with that you have got the response to the Joint Standing Committee on Migration.

Mr Metcalfe—Just before we answer that question: Chair, I was just wondering if it were possible for the committee to give some indication as to its progress tonight? I have had some officers here who I asked to be available for the general questions component but who relate to outcome 2, which is Settlement and citizenship—multicultural affairs issues. I think it is probably a safe assumption that we will not get there until tomorrow morning.

CHAIR—Outcome 2?

Mr Metcalfe—Outcome 2—we are still at 1.1, and there is a fair bit of outcome 1 to work through. Is it possible for the committee now—or soon—to give us an indication as to whether I might need those officers tonight or whether I can ask them to go back to work and do other things. That would be helpful.

CHAIR—Senator Ellison, I am assuming that you will not get to outcome 2 this evening?

Senator ELLISON—I think it is a safe bet. We do not want to keep the officers unnecessarily. If we get to 1.7, and it is a touch before 11 tonight it would not be bad to finish there anyway, because I think that would give us decent time to deal with outcome 2 tomorrow. I think we are safe to do that.

Mr Metcalfe—Okay. Thank you very much.

CHAIR—I do not anticipate that we will race through the program so quickly that we are going to finish outcome 1 and get on to 2 tonight, somehow.

Senator ELLISON—No, I do not think so.

Mr Metcalfe—I thought it was a safe assumption, but I just wanted to be clear.

Senator ELLISON—Even if we got to five to 11, I think we would finish at that point.

Senator Chris Evans—I think we are all agreed that outcome 2 can have an early night.

Mr Metcalfe—They have got to go back to work and do other stuff; they are not going home tonight.

Senator ELLISON—They are working on that values statement and a few other things we will be asking about.

Mr Metcalfe—Thanks very much.

CHAIR—In about another hour I might get an assessment about how we are travelling with outcome 1 to see if there is a chance to even have an hour and a quarter for dinner, rather than an hour. We will perhaps do another hour and ascertain whether we can give up some of that time this evening.

Mr Metcalfe—I think Mr Vardos was going to respond to the question.

Mr Vardos—I will start by saying that was a very good question: how to bring all those various components together. What I will outline firstly are the budget measures—how the \$19.6 million over four years is going to be disbursed.

Senator ELLISON—Yes—good start.

Mr Vardos—The minister has already touched on the information strategy for sponsors and primary visa holders. That will include targeted information, both for visa applicants and

for sponsors—they will both know their rights and obligations. That will include the expansion of the outreach officer network that I mentioned earlier on.

The second component is staff training to improve risk management procedures in terms of our monitoring responsibilities. The third element is the introduction of the employee protection bill, which the minister has touched on a couple of times during the afternoon. There is the establishment of a cross-portfolio working party, which will include this portfolio, the Department of Education, Employment and Workplace Relations, the Treasury and the Department of Foreign Affairs and Trade—particularly the trade part of Foreign Affairs and Trade. The working party will oversight implementation of interim enhancements to the 457 program whilst a longer term package of reform measures is developed for consideration by government.

The next element will be a scoping study to develop a modified processing framework to eliminate duplication and better allocate resources. That issue has been touched on in terms of how we are going to better target of our resources for the volume of business we have, and it was one of the risk areas identified by the external reference group. We are looking to establish a more structured interportfolio governance mechanism for handling labour agreements—that is DIAC and DEEWR, primarily. At an overview level, they are the component parts of the budget measures that were announced recently.

Ms Deegan sits alongside all of that. She will engage with the interportfolio working party, state and territory governments, unions, industry bodies and whoever she feels she needs to, to fulfil her terms of reference. As the minister has indicated, Ms Deegan will report progressively to him between now and October, rather than saving at all up for one big, fat report.

Senator ELLISON—How often between now and October will the minister receive those reports? What periods will they cover?

Mr Vardos—That is entirely up to Ms Deegan. She does not report through the bureaucracy; she is the minister's—

Senator Chris Evans—No, that is not right. It is not solely up to Ms Deegan. She met with some staff from my office yesterday and I will have a discussion with her again shortly. She has got a proposition about how she takes her work forward and obviously I want to come to an agreement with her on what the work plan is. As I said, issues like the English language testing, health and safety issues and the MSL et cetera are part of that. She will have a work program to engage on those issues with the various stakeholders and report. I will be happy to tell you when I know, but we have not finalised how many reports or over what period.

Senator ELLISON—Will that report be to you and not to anyone else?

Senator Chris Evans—The report will be to me but she will provide a catalyst for the debate, if you like, and for examination of those issues. We will want employer organisations' feedback on English language testing, like the sort of feedback Senator Boswell was providing on MSL: which industries is it working for, which is it not working for, why is it not working for them and is there a better fix? When we move around the country we see that the dive, ski and meat industries all have different concerns and it is not necessarily working

for them. We might get better public policy outcomes from dealing with it in a different way. That is what we are working on.

Senator ELLISON—Mr Vardos, I interrupted you.

Mr Vardos—I have nearly finished. Fourteen of the 16 recommendations of the external reference group have been accepted. The work of the ERG, the COAG interest which you mentioned earlier on, the Commonwealth-State Working Party on Skilled Migration and the JSCM report are elements that will all feed into the working party. That is basically the structure, but I will ask Ms Daniels to fill in any gaps I have left.

Ms Daniels—I think that is it.

Senator ELLISON—How many extra staff have been allocated to this?

Mr Vardos—Effectively, it is Ms Daniels's branch that is dedicated entirely to various elements of 457 visa work. I have internally provided Ms Deegan with two staff, possibly a third in the near future, to service her secretariat. But that is from the internal resources of my division.

Senator Chris Evans—Senator Ellison, it is core business.

Senator ELLISON—What is that?

Senator Chris Evans—It is core business—delivering temporary and permanent migration for the needs of the country.

Senator ELLISON—It is the reviews I am looking at at the moment. I have got a lot of reviews here. Leaving aside the reasons for them, I am just looking at the structure at the moment—how many staff are dedicated to them and how they all come together. While that the purpose of the review and everything else might be very useful, the fact is that we have COAG doing work, there is the Deegan review, we just had the ERG review, we have got the joint standing committee from last year and we have got the IDC. They are in a number of different areas.

Senator Chris Evans—Two of them have finished their work, of course.

Senator ELLISON—But the consideration of those has to be fed into the other work that is being done, doesn't it?

Senator Chris Evans—Yes, that is right.

Senator ELLISON—What I am saying is this takes a bit of resourcing, all of this, to bring it all together if the government is to be properly informed as to the way forward.

Senator Chris Evans—That is right, Senator Ellison. I was not being flippant; it is core business. Based on the previous government's arrangements, we brought in about 80-odd thousand 457s in the last year or so of your government. We expect that to rise to about 100,000. They have been brought in by employers to meet their skills needs. Our job is to facilitate that, to make sure the system works and to meet those needs, so it is core business. There have been problems both in the delays for business and in the integrity of the system. We are working very hard on all of those issues. Yes, there is a lot of work going on, but that is what the resources of the department are here for—to deliver an immigration program for the country—and this is a core part of that business.

Senator ELLISON—Will that mean that the government will not be instituting any reforms before October this year? Or is it possible that along the way things will be done?

Senator Chris Evans—These are real problems now that need to be addressed. As I think you saw in the dying days of the previous government, Mr Andrews was forced to address some of them under public pressure—for example, what he did with labour hire firms, what he did with English language testing and so on. I want us to have much better information before I make similar or different decisions. There may well be things announced, but obviously part of the vehicle for change is the bill that will go before the parliament. Part of it is processes inside the department, to speed up processing and better inform industry and get that working better. And part of it is key policy decisions that have been unresolved. I am not sure how the department got policy directions from some of these areas before but, as I say, English language, health, skill levels, MSL, all of those things need clear public policy direction. Some of those will have to be done by the parliament; others will be done by the government.

Senator ELLISON—Have the ERG recommendations been accepted?

Senator Chris Evans—Fourteen of the 16 have. I did not reject the other two. One of them was to change the name of the 457 visa. That is under consideration, so I did not say yes to that. I think it is a good idea, but I think they suggested a name that I did not regard as terribly sexy. There was one other.

Ms Daniels—There was one other. Just let me find it.

Senator Chris Evans—It was all put out to the public at the time, I think.

Ms Daniels—It was recommendation 13 that talked about the use of the program for semiskilled and unskilled labour. I think that is under further consideration.

Senator Chris Evans—Yes, so that one is under further consideration. So the other 14 we accepted as being good recommendations and we would incorporate them in the work that we were doing.

Senator ELLISON—For instance, recommendation 4 was that there would be fast tracking by way of accreditation for employers. I think the former government announced funding for a fast-tracking system last year, and I recall I was told last estimates that there was testing of that. What is happening there, for instance, with the fast tracking?

Senator Chris Evans—I will get one of the officers to take you through it. One of the aspects that the previous government was looking at was largely systems based, and that was why that was taking some time. I think what the ERG and I have been talking about is that it goes a bit further in terms of being more of an accreditation type system.

Ms Daniels—Yes, Senator. The accreditation system that the minister has been referring to will take us a bit longer to think through and implement, and that will be part of our longer term program redesign. But I think what you might be referring to that was mentioned previously was a risk based processing model which we implemented on a trial basis last November. One of the issues there has been the lack of systems support for some of that activity to take place, and some of our system initiatives later this year—I think probably in July or August—would provide some systems support in workflow management and

allocating cases to various areas so that they can be fast-tracked and dealt with more efficiently.

Senator ELLISON—So that pilot can feed into this initiative, which has been expanded to accreditation of certain businesses. It is all the same area, isn't it? It is designed to achieve the same result.

Ms Daniels—Yes. I think it is the same concept, but the simple fast-tracking or streaming of applications into various areas will develop into an accreditation system—but that latter bit will take more time, essentially.

Senator Chris Evans—It is an extension of the same approach, Senator; it is just trying to take it further.

Senator ELLISON—The reason why I am asking is that in the same article that I referred to, Minister, there was a quote from you—again, something I always approach with caution, being in the paper. You were talking about the demand for truck drivers, store managers et cetera. You said:

My inclination is not to do reviews, but get on with it.

As we do have a lot of action in different areas, what I am asking here is: is it the case that we are going to see these reforms put in place as we go along or as you are able to, as opposed to these reviews holding up the reforms being put in place?

Senator Chris Evans—No reviews are holding up reforms, Senator. In your earlier press release about reviews, three of them were your government's reviews—and I am happy to go through them if you like. One of them I had never actually heard of, so it was a good reminder to me to go and have a look. In terms of what is currently ongoing, I think we have described Ms Deegan's role clearly to you, and she will be reporting to a consultative working party of industry, union and state government reps—that is, interacting with them, finding out what their attitudes are. You will not be surprised to know that there is actually a bit of a divergence in views between industry, state governments and unions about the way forward. Ms Deegan's job is to prompt them into discussion and hopefully find solutions.

The IDC is just a question of us as governments working through the issues, as governments do. As you know, there are lots of interdepartmental committee type structures. In terms of the former joint committee's report, the COAG report and the ERG report, they have added to the body of knowledge and they have achieved some things, but they are not ongoing. The major work that is occurring at the moment in terms of the development of public policy around 457 visas, in the short term, is the Deegan review and her interaction with industry and stakeholders about those key public policy issues—one of which Senator Boswell so articulately described today—of MSL, English language, health and safety and those things.

Senator ELLISON—But the fast-tracking is an issue which is of concern in the community. What I am saying here is that there are areas which can be dealt with discretely from others. MSL is an industrial relations area. Fast-tracking is a sort of bureaucratic approach, if you like, to red tape—

Senator Chris Evans—No. That is our business inside the department, to make it work better.

Senator ELLISON—There is work in progress already there from the previous government, and some other initiatives. So what I am saying is you can capitalise on some of that to start reforms now rather than in October.

Senator Chris Evans—Yes. That initiative of the previous government is still being driven, Senator Ellison; it is good policy. It is still being driven. The accreditation, if you like, takes it to the next level. We have got to do work on that. We are doing the three centres that were recommended by the ERG. The secretary has described how we have thrown resources at the backlog, and we are driving that. We are doing a lot of industry consultation about the issues. There is more educational program type work to be done arising out of the budget and the funding.

I do not think anyone has accused me of not getting on with the issues in the area. That is why I was saying I do not want to keep on having reviews in the sense that we want to make changes but clearly some of the changes come out of the bill. As you know, Senator, that does not occur at nearly the rate one likes it to occur at; you are a former Manager of Government Business in the Senate. We will have a bill; we hope to get it on soon.

Senator ELLISON—I can assure you the Manager of Opposition Business in the Senate will do everything he can to assist expedition of the bill, provided it is good policy.

Senator Chris Evans—I think it is fair to say it is based on the original Howard government bill, but it will have some additional issues covered. I am keen to fast track it. I can list for you the 10 or 12 things we are actively working on, and Ms Deegan's role is to deal with those public policy issues that have emerged as the scheme has grown and the sort of people coming in has changed. The reason I got the industrial commission to do it is because they are largely industrial relations type issues.

Senator ELLISON—Are those 10 areas related to the ERG recommendations?

Senator Chris Evans—I just used 10 as a throwaway amount.

Senator ELLISON—Of the ERG recommendations you have accepted 14 out of 16; I think that is right. Are you able to implement any of those in the ensuing months ahead? Is that the intention? Is work being done on any one of those recommendations? We have just talked about fast tracking, so that one has been covered.

Senator Chris Evans—Yes. I did not set up the ERG because I did not want to listen to what it had to say. I picked three highly respected people to give us the benefit of their expertise, which they did—and they used their contacts in industry. The reason I selected them was they were well regarded and had access to senior people in industry. They spoke to the significant players about what their attitudes were to all these issues. The report is really useful, we have accepted the vast majority of the recommendations, we are getting on with it and some of the budget measures feed in from that.

Senator ELLISON—Take recommendation 1 of the ERG. Is there any measure you can point to which is being put into place as a result of that?

Senator Chris Evans—I will just get my copy of the report.

Mr Vardos—Senator Ellison, recommendation 1 is about better long-term planning. Is that what you are referring to?

Senator ELLISON—Yes, that is the one.

Mr Vardos—Everything that we are doing at the moment will feed into a better structured 457 program. I cannot point to a specific date when something will be implemented.

Senator ELLISON—No, that is a bit different.

Senator Chris Evans—That is the charter for the IDC.

Senator ELLISON—That is the charter, and recommendation 2 I think you have already covered with some of your evidence. You have said that there is an outreach program, Mr Vardos, in that initiative. Is that right?

Mr Vardos—Yes.

Senator ELLISON—Recommendation 3 refers to back office processing, DIAC, DEEWR and specialised teams on an industry sector basis. Is that being done?

Mr Vardos—The additional outreach officers that we are putting into the field are a budget measure. They come into effect post 1 July. There are many measures that are interrelated and as we are able to implement them we are. If they need funded measures to come into effect before we can do them, we will wait, but what we can do now we are. A lot of the work that is being done in Mr Fox's area on dealing with the backlog is also providing lessons on how to manage the program into the forward years.

Senator Chris Evans—If you are talking about recommendation 3, we have picked up the centres of excellence and we have gone to three centres. There was a push for two. I must say the decision to make it three and include Perth was not one made by the minister. It came up as a recommendation from the department but it did save my skin. It was only when I heard the reaction that I realised that it was probably a sensible move, but it was not one that I had made.

Senator ELLISON—No argument from me on that one.

Mr Metcalfe—The Perth location, apart from all the other very good reasons for it, fulfils a longer term objective I have, to the extent that the department can provide longer contact hours to clients. Rather than having to fit into a nine-to-five type of environment, a west coast location quite easily allows you to provide service levels to the east coast with at least a two-hour time difference and to push back service. I am not saying that will happen immediately, but certainly an objective for the department is to try to move beyond simply limiting service to the standard office hours on the east coast and to try to provide a better spread of contact time for all of our clients.

Senator ELLISON—Will these centres have a shopfront service?

Mr Metcalfe—They will be located within our regional offices and would have a client contact. Increasingly, the sort of work we are talking about comes to us electronically or is delivered by couriers or whatever, but of course they will have a shopfront.

Senator ELLISON—You mentioned working with DEEWR, the department of workplace relations. Will they have an involvement in this as well?

Senator Chris Evans—The processing stuff is very much ours. They have a range of roles—for instance, in the modal and ASCO codes and in the labour agreements. Some offices might have others. They are the ones who provide us with the information about skill demand et cetera.

Senator ELLISON—I just thought it might be useful for those specialised teams, if they are working with an industry sector, to have DEEWR input so that you do not have the point that was made earlier by you, Minister, when you said they go through DIAC and then they have to go on to DEEWR instead of being picked up at the same time.

Senator Chris Evans—That is mainly in terms of labour agreements. I am trying to get a one-stop shop for labour agreements, certainly for the resources sector, because we have to throw in resources as well. We are trying to get a unified approach, but that was more about labour agreements than about the average 457. The 457 visa holder may not have to go anywhere near DEEWR in their application process, but DEEWR determine who is on the list to be brought in.

Mr Metcalfe—I should clarify that the pronunciation of the acronym for that department's name is 'dee-wa', given that it is the Department of Employment and Education and Workplace Relations.

Senator Chris Evans—I stand corrected.

Senator ELLISON—Old habits die hard.

Mr Fox—You asked specifically about that idea of specialist industry based teams. What we are working on in implementing the three centres that will take effect from 1 July is exactly that. That will be part of the basis on which we will have the processing set up within those three centres. We will be taking that recommendation of ERG and applying it in that model.

Senator ELLISON—Mention was made of improving back office processing. What has been done there?

Mr Metcalfe—I think what we have described in relation to the centres of excellence pretty well covers that particular point.

Senator ELLISON—ERG recommendation 4 dealt with five alternative mechanisms for taking the English language tests. That has been covered by the—

Mr Vardos—As I mentioned, we are currently in negotiations with an alternative provider.

Senator Chris Evans—This is all driven by feedback from stakeholders as part of their consultation. One of the things that we have identified is the frustration about the English testing.

Senator ELLISON—With regard to the training mentioned in recommendation 6, has anything been done in relation to training, apart from what you would expect normally?

Mr Metcalfe—That was the budget measure that you mentioned before.

Senator ELLISON—I asked about recommendation 7 in relation to optimal staffing levels, and we talked about the increases. Is anything else being done in relation to the resourcing requirements to support the program?

Mr Metcalfe—No. I think we described that earlier as well.

Senator ELLISON—Recommendation 8 says:

The ERG recommends that the department eliminate elements of duplication ...

I think somebody earlier said there was something being done about that in the scoping exercise. Is that what that is doing?

Ms Daniels—There is an amount of money that came through the budget for a scoping study that goes to some of this recommendation that looks to streamlining the program—for example, looking at the three-stage processing model to see if we might reduce it to two. It will feed, I think, quite smoothly into the bigger visa services transformation project that the department has running.

Senator ELLISON—And recommendation 9, in relation to risk management, is an interesting one because it talks about processing visas on the basis of a matrix of risk characteristics, which you have on the student visas, but it is done differently for others.

Senator Chris Evans—The risk we are talking about here is in terms of the sponsor et cetera. I think a bit of it goes on already, but, as I have been stressing to people, if BHP want to bring an engineer into the country to work in one of the mines up north, I am not worried about the MSL for him and I am not worried about his qualifications terribly much because I assume BHP would work that out. If he has not got what they need they would not be employing him. However, if someone was brought here in a different context by an employer we did not know or by a company that did not have a public reputation or much financial backing to work in an area where the trade qualifications were not well known to us or the person was from a source country where we did not have much visibility on their training areas or we might have concerns about a large amount of fraud on paperwork, you would expect the checking on the latter to be much more thorough than the checking on the former. It is just about driving that risk based system so that we put our resources where we have had problems with exploitation and other matters and do not waste resources at the end where we have had no history of problems. That is what that is on about.

Senator ELLISON—Is there a fraud aspect to that in relation to qualifications? BHP, you would expect, would have a more thorough scrutiny of the people it brings in but, where you have a sponsor who might be quite upstanding—quite appropriate in all respects—and they are dealing with an overseas market that they are not completely acquainted with, they may become a victim of fraudulent qualifications. That is another aspect of it, isn't it?

Senator Chris Evans—Sure.

Senator ELLISON—So could that not accommodate that as well?

Senator Chris Evans—I will let the officers answer, but it is also a question of who carries that risk. In a sense some of it is 'employer beware'. If it is a private company employing someone to work for them, then it seems to me that they should carry a fair amount of the risk in that regard. Clearly, where there are registration requirements or licensing and other requirements, those are obviously issues. I am not saying that one should not necessarily check these things, but, as I said, it is that risk matrix. If someone is going to be dealing with health and safety or other matters, the risk profile changes. If a large company wants to bring

in an IT professional, should I worry too much about their IT qualifications, or is that really the company's risk? I obviously will worry about their character, their passport and those sorts of issues, but should I worry whether they can do the job? I do not know.

Senator ELLISON—The reason they are getting into the country is that they can do the job. If they cannot, there is a social consequence that is not a happy one for everyone concerned, especially if they are not qualified and they are operating in an environment where safety is a key issue.

Senator Chris Evans—That is why I said that safety is a key component of any risk analysis.

Senator ELLISON—You certainly check doctors coming in from overseas because you want to make sure your doctors are not doing something they should not be because of their lack of qualifications.

Senator Chris Evans—But we would also primarily rely on the medical board to do that.

Senator ELLISON—But there is an overall scrutiny from government as well.

Senator Chris Evans—No.

Senator ELLISON—Perhaps not the hands-on scrutiny.

Senator Chris Evans—The bottom line is, you have to rely on the medical board to deal with the registration issues. There is a range of areas where you would not expect Immigration do that twice. Maybe the officers will talk about the risk based analysis.

Mr Metcalfe—That is a very good example when you are talking about risk: big companies and government departments will have their own processes for ensuring that the people that they are proposing to employ are who they say they are, have the qualifications that they claim to have and are appropriately registered, if there is a professional registration requirement. We do not have, have never had and will never have the resources to individually check every aspect of every person. We therefore have to take a risk based approach. Therefore, we devote our checking to the areas the minister has described and in those occupations or industries or employers where we do not have a track record or a knowledge of them. That, indeed, was the philosophy behind the accreditation concept that the previous minister was pursuing as well.

Senator BARNETT—I will just interpose there, re overseas doctors. You mentioned the previous minister's approach. Just to clarify: do you, or did the previous minister, write to the state authorities about checking the veracity or ensuring the veracity of the credibility of overseas doctors?

Mr Hughes—Overseas doctors are usually sponsored by the state and territory health authorities and we do not have a role in their qualifications recognition; that is between the state and territory health authorities and the medical boards. We just want to be satisfied, on advice from those authorities, that the people are appropriately qualified doctors. But we do not have a role in assessing that.

Senator BARNETT—I understand you do not have that role but you do contact the state health authorities. Do you ask them, ‘Are these doctors fully qualified?’ What is the process? What is the response that you have received?

Mr Metcalfe—Perhaps we could describe to you what happens when a state health authority sponsors a doctor from overseas. Essentially, what we do is accept their assurance that the person they are bringing in is a doctor and that the person has been appropriately recognised by the medical registration process. We can tell you a little bit about the type of documentation we would receive.

Mr Hughes—State health authorities are obviously highly responsible employers, so we take their assurance at face value; we do not look behind and do our own checking on the qualifications of doctors. The state medical boards have the expertise and we do not. It is an example of what we were talking about—risk tiering. With responsible state government authorities, you accept that they are a low risk.

Senator BARNETT—You are satisfied with the responses you have been getting back from each state and territory health authority?

Mr Hughes—Yes. We are satisfied that they are responsible employers who do the appropriate checks in conjunction with the medical boards. The future, of course, in this area is quite fluid in that there is a national assessment and registration process being worked out between Commonwealth and state authorities. This is being aggressively implemented. I think that part of the national assessment process has been implemented already. It will be progressively implemented between now and mid-2010, when there will be both national assessment and registration of foreign doctors.

Senator BARNETT—How many overseas doctors have been granted visas to work in Australia in the past 12 months?

Mr Metcalfe—As at 28 May 2007?

Senator BARNETT—The most recent records that you might have.

Mr Hughes—I will just ask one of my colleagues to check our statistical package to see if we have it with us. Otherwise, we will take it on notice.

Senator Chris Evans—There are lots of them. There have been for many years now.

Senator BARNETT—Yes. I am just interested in—

Mr Metcalfe—We will either give you a number or take it on notice, but I would expect it would be in the low thousands. They are the sorts of figures that we have seen. Certainly, my impression is that foreign doctors are integral to the proper functioning of the Australian health system these days.

Senator Chris Evans—Ms Daniels, have you got any figures handy?

Ms Daniels—In the program year to date, 1,600 applications were granted to general medical practitioners. As to whether they are already within the country, I do not know that figure. I will get that for you.

Senator BARNETT—Is that figure right up to date?

Ms Daniels—That is to March.

Senator Chris Evans—It is 1,600 to March.

Senator BARNETT—Is that 1,600 for the 12 months to March?

Ms Daniels—For the nine months to March.

Senator ELLISON—Recommendation 10 says that ERG recommends more information for employers on their rights and responsibilities. I think a budget measure covered that.

Senator Chris Evans—Yes.

Senator ELLISON—Recommendation 11 is that labour agreements be promoted. I have asked a question on notice in relation to the numbers but this is a little different. What is being done to encourage the use of labour agreements?

Senator Chris Evans—It is one of the things I have asked Barbara Deegan to have a look at, but we are also doing some work internally about what the policy drivers ought to be. Some people say they would like to part of labour agreements but it is easier to get them 457 visas individually. Others say labour agreements allow them greater surety in planning. One of the big companies that has one is BHP. I think we need to do more work on their design to make them more attractive to business and to be clear about the public policy settings. So Ms Deegan will give us some advice on it, but internally we are going to do some serious work on the design of labour agreements.

I take the view, Senator Ellison, as I suspect you would, that if a big company comes to Australia and wants to do a big mining expansion in the north-west of Western Australia—and the states will often have a development act for them—because the Commonwealth is dealing with the employment issues we ought to have a one-stop shop where they can get a labour agreement. They might be going to employ 800 Australians but need 200 tradesmen to come in and supplement that over three years. They would not have to talk to Resources and Employment and Immigration; they could have one conversation with the federal government. I would certainly be keen to drive it. I have spoken to Minister Ferguson and Deputy Prime Minister Gillard about that. We will be doing some serious work inside the department about making labour agreements more attractive and more flexible.

Senator ELLISON—Similarly, recommendation 12 looks at flexibility in meeting the needs of small business and infrequent users—at the other end of the scale, if you like. I have certainly had a lot of feedback on that. What is being proposed there? Is there anything being done to move that the long?

Senator Chris Evans—That will partly be picked up by the working party in the longer term, but part of that, I think, has been picked up by the on-hire development. I have had probably the same feedback that you have had. It effectively says the scheme works pretty well for the larger employers or those using an agency or an on-hire company, but, for the mum and dad business looking for one worker, like a lot of government supported services, they find it pretty hard to find their way through the maze and they also have to find the worker themselves, bring them in and meet all the requirements. I think it is fair to say that it does not work as well for that sector and so we are doing some work on that, but, to be frank, it is also one of the areas where we have integrity issues where some of these smaller

companies bringing people in have been at the centre of some of the concerns about exploitation et cetera. I do not want to characterise them all in that way, but it is also, if you like, a bit of the higher risk end sometimes.

Senator ELLISON—Thirteen is under consideration you have said and 14?

Senator Chris Evans—All suggestions on 13 are welcome, Senator.

Senator ELLISON—Let us carry on with 14. The ERG recommends the department regularly review and benchmark its practices. Has anything been done there?

Senator Chris Evans—I will let the officials respond on how we intend to do that, but, interestingly, I spoke with a very senior member of one of the large companies that bring in a lot of 457 visas. Having complained to me previously about the slowness of the system and the backlog and concerns, he then said, ‘Of course, it still is the best place in the world to get people into quickly,’ and then complained about Canada and the United States and suggested they were looking to copy some of our practices. So that was a bit of sobering feedback.

Mr Metcalfe—A terrific conversation!

Senator ELLISON—Do we look at any programs overseas to see if we can learn from anything they are doing?

Mr Metcalfe—We do benchmark ourselves against market countries and we are in an internationally competitive environment. Visa processing times will be one of many factors that a worker might take into account in coming to a particular country, so I think we can say that we have some good arrangements, but we always need to improve them. I have made the point many times that when it comes to lawfully entering Australia the department of immigration is a monopoly. No-one else offers the service and there is no competition between providers. We therefore have to actively work against being monopolistic in our behaviour and seek to provide extremely good service.

Senator ELLISON—What are the ones that stand out around the world that we look at? With border control—

Mr Metcalfe—I would be interested if my colleagues have any comparisons, but I think we would regard ourselves as being a very good service provider in this area, and the minister has had some third-party confirmation of that. But that is not to say that we should not benchmark ourselves not only against other immigration authorities but against other service delivery organisations as well, whether they are banks or other government agencies. Part of the reason we have established a client service division is to have a very strong focus across all our programs and categories of strong client service, and we have done a fair bit of benchmarking in that regard. In relation to 457s specifically, I am not sure if Mr Hughes or others would be able to provide some further advice.

Mr Hughes—I will offer some observations and my colleagues can supplement those if they want. It is very hard to make direct comparisons with other countries, because their systems deal with a variety of different case loads and deal with labour needs in different ways. For example, the European Union, you may have read, has been talking about the introduction of a blue card as a way of bringing in temporary workers to service a variety of needs, particularly the longer term European Union members—more the countries of western

and northern Europe. That particular development is still in train. They have not actually done it because, I think, they are finding that they can service a lot of their need for skilled workers and labour generally from the expanded membership of the European Union. So some of the countries of western Europe, rather than recruiting workers outside of the European Union through an immigration system, are in fact finding they can meet that kind of work supply from the new member states such as Poland, Romania, Bulgaria, Slovakia et cetera. If my colleagues want to supplement anything with the US and Canada, they can feel free.

Mr Vardos—Nothing further to add.

Senator ELLISON—The next recommendation, 15, was an evaluation of the implementation of the recommendations. Is it accepted that there will be an evaluation?

Senator Chris Evans—It is accepted, but I assured people that you would do the job much quicker than two years! We will put in place formal reviews, but the reality is this is a hot topic. We have estimates; we have annual reports—we will put in a formal review, but, as per discussions tonight, this is at the forefront of our work and the forefront of public debate. Certainly we will be tracking through how those things are going.

Senator ELLISON—Madam Chair, I think this is a good spot to allow Senator Barnett his questions, although I still have other 457 questions and 1.1 questions.

CHAIR—We will go to Senator Barnett then.

Senator BARNETT—Thank you very much, Chair, Senator Ellison and Minister. I wonder if we could go back to just before lunch—I may have missed it—to clarify whether you tabled that statement in terms of the interventions.

Senator Chris Evans—Yes, I did.

Senator BARNETT—I have not received it.

Senator Chris Evans—I am sorry—I did not table it; I read it into the record. I had given you the figures and had just confirmed that they were ‘finalised requests’. These were files that were not on the first pass. They had either been rejected or a visa grant had been made. These were finalised, so they are not the total number of files I have seen; they are the ones that had a ‘yes’ or a ‘no’—a final decision. In total, there were 472 decisions and 187 visas granted. In terms of the section 417, there were 392 decisions and 116 visas granted. This was in the January-March quarter.

Senator BARNETT—Were you going to advise us or take on notice as to whether, of the ones that were granted, so many were subject to health checks—

Senator Chris Evans—That is what I am saying—these are the finalised ones. That is the point. As I say, I have probably seen another 500 files, but they are still in the system. The point I made was that a lot of the ones that I have granted are actually ones originally seen by Minister Andrews as well. That is why I have been reluctant about these figures. It is not simple.

Senator BARNETT—That is why it is good to clarify it. So you are not tabling that—that is all the information.

Senator Chris Evans—That is all I have at the moment.

Senator BARNETT—Will you deliver a quarterly report to that effect?

Senator Chris Evans—We might be able to add further information as we go along. As I say, I have been very conscious that we do not hand up stuff that is not right. We are still investigating the systems to make sure, when we say something like this, it is right.

Senator BARNETT—The intervention that we had by one of your colleagues before lunch about the visa being granted first and second stage—that was the answer that you checked over lunch?

Senator Chris Evans—Yes, those are the final decisions. So the ones that are pending—those sorts of things—are not included.

Senator BARNETT—I wonder if we could go back to what we touched on this morning. I think Mr Hughes was about to provide some answers regarding occupations in the area of additional skilled immigrants—which ones are being targeted. Before we get there—just so I have got it right—we have 37½ thousand places extra in 2008-09, including 31,000 in the skilled stream and 6½ thousand in the family stream, costing \$1.386 billion over four years. Could you please confirm or clarify that.

Senator Chris Evans—The two program numbers were right. There is the spouse growth, but that is just projected. It is not—

Senator BARNETT—Do you have a table that you could perhaps outline in terms of the total intake? I understand it is increasing from 152,800 to 190,300 places. Do you have a table of—

Senator Chris Evans—It is all in the budget papers we distributed on budget night. I can get you a copy. It was not in the budget papers; there was an information pack on immigration matters. I will get you a copy that. That is the easiest.

Senator BARNETT—I thought I was referring to that.

Senator Chris Evans—It is all on the web too.

Senator BARNETT—Regarding the benefit from the tax that will flow from this \$2.922 billion over four years—and these I know are Treasury figures—I think the budget papers show an extra \$1.01 billion in GST revenue. Would that be correct?

Mr Metcalfe—If they are in the budget papers, I cannot add further to it.

Senator Chris Evans—Over four years, I think. That would be paid to the states.

Mr Hughes—The budget pack says the additional cost of the budget will be more than offset by revenues from income tax, excise duty, GST and charges paid by new migrants estimated at \$2.9 billion over four years. The states and territories will be paid \$1 billion in GST.

Senator BARNETT—That is what I am asking. Is that over four years or is that per year?

Mr Hughes—I believe it is over four years.

Mr Metcalfe—Budget paper No. 2 on page 257 reads in part:

The costs of these services—

that is, 'the provision of health, education, employment and other services and benefits for the additional permanent migrants'—

will be offset by an increase in Australian Government revenue of \$2,922.3 million over four years, including GST of \$1,013.2 million over four years.

Senator BARNETT—Very good. We touched earlier on the average wage for these skilled migrants. I am wondering if you have those figures. Obviously Treasury has made certain assumptions about tax and GST revenues coming in. It is obviously based on an income assessment of what these people will receive in average income and of their expenditure in the community. Can you help us in that regard? What is the average wage?

Senator Chris Evans—I think as we indicated earlier—and I am not trying to be unhelpful—I just do not know. You are going into Treasury assumptions and I, like you, would be interested. But I do not know and the department does not know. Those are Treasury calculations. I do not mean to refer you off to other committees, but they are not in our possession. We do not have knowledge of them, so we just cannot help you. Those were figures calculated by Treasury and included in the budget papers.

Senator BARNETT—You sort of touched on it earlier. I think Mr Metcalfe indicated that you do not have the Treasury paper and you have not seen the paper. There has been some discussion about it. But you actually do not have the paper?

Mr Metcalfe—I said that that was my belief. I undertook to correct the record if I am incorrect.

Senator BARNETT—I find that rather strange when you are the department. This analysis has been made all about your program and projects within your purview.

Mr Metcalfe—As you know, Treasury is the department that administers taxation arrangements. While there is very close discussion and consultation between us, the ability to measure or to estimate taxation paid by people is a capability within the Treasury.

Senator BARNETT—They have obviously done it based on certain numbers, and the budget papers have outlined the numbers of additional skilled migrants. Specifically under what scheme will these migrants be brought to Australia? I am thinking of the employer nomination scheme, the regional sponsored migration scheme and other categories. So can you be specific when responding to those queries?

Mr Hughes—I will ask my colleagues to assist with this, but, as you know, within the skills stream there are a variety of subcategories, some of which have experienced particular growth in recent years—such as the employer nomination scheme, which has been increasingly used by employers—but there has also been growth in general skilled migration as well. I will ask Mr Mills to give you some estimates of where we expect the growth to be.

Mr Mills—In terms of next year's estimates of likely outcomes, we expect somewhere in the region of 28,000 employer-sponsored visa grants. These include principal applicants and their dependants, because programs have always been counted in that way. We expect about 98,000 grants under general skilled migration in 2008-09, and we expect about 7,000 grants in the business skills category. These are not skilled workers per se; they are people who either invest in Australia or intend to start businesses in Australia—so they are a slightly different

cohort. Those are the three components of the skills stream. Within general skilled migration, we would expect about 23,000 of those grants to relate to the so-called state-specific and regional migration mechanisms, which were discussed earlier this afternoon, so that is the notional break-up.

Senator BARNETT—Can I just get clarity on the one with 23,000? That is state specific, so they go to a particular state, don't they?

Mr Mills—That means that they get certain migration concessions based on sponsorship by state governments or sponsorship by relatives who are living in designated areas of Australia.

Senator BARNETT—Have you broken that down, or is there an understanding as to where they end up in terms of the location?

Mr Mills—Yes. We could give you a table on that data.

Senator BARNETT—On notice or have you got it with you?

Mr Mills—On notice.

Senator BARNETT—Thank you. That is very useful. Can you summarise those figures for the previous year?

Mr Mills—The current program year?

Senator BARNETT—Yes. Because that was 2008-09. Is that correct?

Mr Mills—Correct.

Senator BARNETT—So can you give me the 2007-08 year?

Mr Mills—Certainly. We expect around 23,000 employer-sponsored visa grants this program year, 2007-08, and about 79,500 general skilled migration grants. Again I emphasise that these figures include dependants. We expect about 6,000 business skills visa grants and a much smaller component of 200 under the distinguished talent category, which is also counted in the skills stream of the program. That will add up to approximately 108,500.

Senator BARNETT—All that is on track at the moment?

Mr Mills—It is very much on track. It is running about three per cent above pro rata, which is where we like to be at this point in the cycle.

Senator BARNETT—Very good; thank you. In terms of the occupations of the additional skilled migrants, can you provide a summary or analysis of which areas are being targeted?

Mr Mills—There are a range of targeting mechanisms within the skills stream of the program, which I will briefly describe. Employer-sponsored visas are, by their very nature, targeted, because the migrant enters Australia and goes into a job. Within general skilled migration, there are a range of targeting mechanisms. The most prominent is the Migration Occupations in Demand List, which, again, was discussed earlier today.

Senator BARNETT—Yes, it was.

Mr Mills—About 53 per cent of the skills stream overall—that is, primary applicants—have modal occupations. On top of that there is another level of targeting through state government sponsorship.

Senator BARNETT—Can we just do one at a time, starting with the Migration Occupation in Demand List, and working through that in terms of the numbers?

Mr Mills—By visa category?

Senator BARNETT—Whatever is easiest for you; visa category would be fine; yes.

Mr Mills—I am not sure how much granularity you want here, Senator, but in the employer sponsored component around about 36 per cent of primary applicants have MODL occupations. In the skilled independent category, that has the highest proportion at 77 per cent. The bucket, if you like, of state sponsored visa classes has 18.4 per cent. And skilled Australian sponsored—which is people who get a migration concession because they are sponsored by a relative; they still have to meet the points test of course—come in at around 11 per cent. So you can see that it varies significantly between different visa components, as we would expect.

Senator BARNETT—Can you break down the additional skilled migration numbers into the professions or the different arrangements—such as building construction—that you are focussing on.

Mr Vardos—What I can give you is the top 10 occupations in the skill stream for primary applicants for July 2007 to April 2008. They are, in descending order: (1) business professionals, principally accounting; (2) computing professionals; (3) science building and engineering professionals; (4) food trade persons; (5) health professionals (nursing); (6) mechanical engineering trades; (7) business and information professionals miscellaneous; (8) other trades persons; (9) electrical trades persons; and (10) marketing and advertising professionals.

Senator BARNETT—So that covers all skilled migrants?

Mr Vardos—Skill stream.

Senator BARNETT—So does that cover—

Mr Vardos—The top 10 in that stream.

Senator BARNETT—That covers all of those groupings—is that correct?

Mr Vardos—Yes, the whole skill stream.

Senator Chris Evans—That is permanent and not temporary?

Mr Vardos—Yes, permanent general skilled migration.

Senator BARNETT—I am happy for you to take it on notice, but can you give us the raw numbers as well as the percentages.

Mr Vardos—Senator, I should have given you the complete table first time around.

Senator BARNETT—Are you able to table it for us to save time?

Mr Vardos—It has a few scribbles on it.

Senator Chris Evans—We can clean it up and table it.

Senator BARNETT—If you can clean it up and table it that would be most useful. That was for July 2007 to April 2008; I am now interested in your projections for 2008-09.

Mr Hughes—I would like to make a general comment here before letting my colleagues supplement this. Mr Mills mentioned before the particular control mechanisms that might affect where these particular numbers go in future. This is looking at where they have been until the recent past. By definition, changes in the migration occupations and demand list, if occupations come off, will have an effect. If occupations come on, that will have an effect on employer behaviour because employers drive part of the program directly by sponsoring people directly from overseas. Equally, those components that are driven by state and regional initiatives, the behaviour of those entities that are able to seek to access those specific parts will again drive what happens over the next 12 months. There is likely to be shifts, but it always difficult to predict exactly where the demand from within those drivers will come.

Senator BARNETT—I am with you entirely and I understand you cannot be exact, but for planning purposes you must have plugged in some estimates.

Mr Hughes—Certainly in terms of the likely numbers within the overall components of the skill stream.

Senator Chris Evans—Can I just make a general comment, Senator Barnett. I am very focused on us making sure that the intake is as closely matched to the demand as possible. The levers are not perfect and we have to look at whether we can develop others to ensure that if we need welders in Western Australia, we do not get brain surgeons in Tasmania—although you may well need brain surgeons there!

Senator BARNETT—We might need one or two down there.

Senator Chris Evans—Probably using the medical profession was a poor choice—a herbal specialist or something in Tasmania. You probably have a lot of them too! I am struggling to get the right point so I will stop. You know what I mean; we have to match the demand. We talk about a lot of this being driven by employment levels but the reality is that unemployment is much lower in some regions than in others. We run the program and generally support skill migration, but obviously whatever we can do to better match the applicants with the vacancies the better. That is what industry is seeking from us. I am keen to see if we can do better in targeting in that regard and work closely with industry associations to make sure we have the key skills coming in, particularly where there are real shortages in the economy. That is not easily achieved and, as I mentioned earlier, the Housing Industry Association had an idea about getting construction workers from America. I am prepared to have a look at that. We do not traditionally get a lot of construction workers from America but, if there is a way for us to attract them and they meet the skills needs, we will have a look at it. We are talking about maybe running an expo in America focused on construction. I am happy to look at those things.

Senator BARNETT—I think they were expressing their point of view and expressing their concerns because of the demands in their industry.

Senator Chris Evans—Yes, that is right. I am happy to try to make us more responsive to that but the department has explained to me that it is not as simple as I had hoped.

Senator BARNETT—I am sure it is not simple but let's give it your best shot in terms of your estimates.

Mr Mills—To give you some historical perspective, if you look at the programs going back five years, you would find that around 10 to 11 per cent of the primary applicants had MODL occupations. What has happened over the last couple of years is a dramatic expansion in both the number of occupations on the MODL, reflecting the booming economy and the state of the labour market, and, as a consequence of that rapidly expanding list, a much greater proportion of MODL occupations in the migration intake. We would not expect a radical change in the profile next year. I make the point that the labour market research which underpins the MODL is not done by this agency because we do not have that particular expertise.

Senator BARNETT—Who does it?

Mr Mills—DEEWR, the Department of Education, Employment and Workplace Relations. Every six months they make recommendations to the minister, who then has the power to change the MODL list and, generally speaking, endorses those recommendations.

Senator BARNETT—That is the historical perspective. Can you provide the estimates for 2008-09?

Mr Mills—The occupational profile?

Senator BARNETT—Yes.

Mr Mills—I would not expect a dramatic change from what we have given you for this year. We do not estimate changes in the labour market looking forward.

Senator BARNETT—We have said that there will not be a radical change or a dramatic change. I want to know if there is going to be any change. Are you projecting any change and, if so, what is that change?

Mr Mills—We are not projecting any change. DEEWR may have another view on that.

Senator Chris Evans—I do not think that is reflecting the fact that we do not think there will necessarily be any change, I think it reflects the visibility of the system. These are employer-driven demand, state government driven demand or just general applications. I think the officer is saying that we think the pattern will be basically the same. If you are asking whether we have any quantitative data or good indicators, I think the answer is that our indicators come from the past rather than from future planning.

Mr Hughes—What we are saying is that we expect the pattern of occupations to be similar but higher volume.

Senator BARNETT—You mentioned the business and industry involvement earlier and again just now. In coming up with these numbers of additional skilled migrants to meet the demand, with whom and what process of consultation did the department undertake, and can you identify and name the different groups that you consulted with?

Mr Hughes—It is an annual process which the Minister for Immigration and Citizenship normally undertakes—and Senator Evans undertook it this year—to consult with industry, other key stakeholders and also state governments. That was part of the annual program formulation process.

Senator BARNETT—When was that?

Mr Hughes—It was in January or February. I think we actually provided details of all of the people consulted in answers to questions at the last estimates.

Senator BARNETT—Is that correct? I do not recall that, but it may be so.

Mr Mills—The material is certainly available.

Mr Hughes—We can certainly get it for you.

Senator BARNETT—Could you take that on notice and just advise us which states and territories were there and which stakeholders were there?

Senator Chris Evans—Yes. We got written submissions from the states and there were public consultations. I know that in Western Australia there was about 70 there—they were well attended—including the Chamber of Mines, chambers of commerce et cetera. In addition to that, they come and see me individually. One advantage I have is that before the election I was the shadow spokesman for resources and energy. In terms of the needs of WA and Queensland, I was getting hammered about it daily by resource companies and construction companies, so I had a pretty good feel for that sector by then. There are formal consultations, but all those industry groups are at you all the time and calling on the Prime Minister and there is a general activity in the area. I think you would have seen that from the feedback to the budget decision—the very strong endorsement the increased skills program got from every industry body that commented.

Senator BARNETT—I am sure you get a lot of people talking to you, particularly in WA about the different needs there, but I am just asking about the official process for consultation.

Senator Chris Evans—There is a program and we will make that available to you.

Senator BARNETT—There is as an annual conference or meeting, but I assume you have other consultation processes.

Senator Chris Evans—Yes.

Senator BARNETT—If you could outline that to the committee and advise who you consult—which stakeholders and which states and territories—that would be tremendous.

Senator Chris Evans—We will take that on notice and get that for you.

Senator BARNETT—Thank you so much. Where do you anticipate that the additional skilled migrants will settle? I would like you to be specific. Have you prepared any research or analysis in this regard?

Mr Hughes—I do not think these things are subject to radical shifts over short periods of time. It is a bit like the Migration Occupations in Demand List in that it does not usually move very radically. There are occupations that tend to stay on there for a long time. Therefore, we would not expect radical shifts in the destinations of migrants; it tends to

happen over years. Remember, of course, that the permanent migration program is being supplemented by the temporary skilled migration program and the 457 visa. So if, for example, employers are seeking extra workers, they could choose either to seek a permanent employee and bring someone in as a permanent resident through the employer nomination scheme or they could seek somebody through the temporary skilled scheme. There tend to be bigger shifts in the temporary skilled scheme.

Senator BARNETT—I am with you. Let me put it another way: in the last 12 months, where did they settle? That would be useful.

Mr Mills—I refer you to the ‘settler arrival data’, which is regularly published and available on our website. We work together with ABS in putting that together, and that will give you a fairly accurate picture of where people are going over time.

Senator BARNETT—What percentage go to Melbourne and Sydney?

Mr Mills—I do not have the data with me.

Senator BARNETT—An overwhelming percentage?

Mr Mills—I do not have the data with me but it is on the internet.

Mr Hughes—We can have it for you before we finish.

Senator BARNETT—Are you taking any specific initiatives to get these people to other parts of Australia, such as Tasmania, Queensland, South Australia and elsewhere?

Mr Metcalfe—We spent a fair bit of time earlier today talking about the various state sponsored migration initiatives. There is considerable capacity for the various states to sponsor people, and concessional points arrangements apply for that. This has been an ongoing major area of work between us and the various state governments.

Senator BARNETT—We cannot always leave it to the states, unfortunately.

Mr Metcalfe—I am not saying that we would simply leave it to the states, but we have sought to make our program as accessible as possible to enable the states to take the initiatives that they wish to take, and similarly for industry groups and others. Speaking as a lawyer, at the end of the day people who migrate to Australia are free, like anyone else, to live where they wish. They make decisions relating to employment, family ties, cultural ties and that sort of thing, which has seen Sydney and Melbourne being the large centres for migration over the decades. But we have seen a shift away from New South Wales, an increasing proportion of people going to Victoria and possibly a slightly disproportionate number going to South Australia because of the very active work that is being done by the state government in particular in partnership with us. This is an area that is always on the agenda for ministerial consultations and discussions when ministers come together.

Senator BARNETT—Are there any specific initiatives you want to share with us in terms of getting people to those states?

Mr Metcalfe—I think we have outlined before the sorts of initiatives that have been developed over the years and which continue to be appropriate in this area. Just on the issue of where people are settling, as we have indicated, that material is regularly published and

updated. Over the dinner break we will find the latest version of that and we will provide you with that data.

Senator BARNETT—Thank you so much. Before the dinner break I will just move topic and ask the minister a question about the government's position and support or otherwise for the guest worker scheme.

Senator Chris Evans—We have indicated that there is no guest worker scheme under contemplation. Consideration is being given as to whether or not we ought to initiate a trial of a Pacific islander labour scheme similar to the one conducted in New Zealand. We have said that we are going to have a good look at the New Zealand experience and then determine whether or not we ought to trial a scheme here. This is driven by two things. The first driver is a request from Pacific island states for access to our labour market and a request from foreign countries to try and get employment and skills training here for some of their people. Also there is consideration in government about the need to find ways of supporting those islands, given the difficulties with their economies over the years. As you know, Senator Barnett, we have had to intervene to support some of them, like the Solomons, in part because of economic conditions that have driven unrest. That is the foreign aspect of it.

The other driver is the demand for labour, particularly from agricultural industries, which have had serious issues with fruit picking and other seasonal work. We have said we will consider that sort of proposal by government, and we have asked a number of departments to do some work on that. As part of that development, Mr Metcalfe and a range of other senior government officials visited New Zealand recently and had a look at their scheme. Mr McMullan, the Parliamentary Secretary for International Development Assistance in the Foreign Affairs portfolio, had a look at the New Zealand scheme as well. All of that will form a submission to the government, which will come forward in the next few months, and then a decision will be taken. No decision has been taken at the moment, but there is consideration of doing something similar.

Senator BARNETT—If it were to commence, it would not be in the next couple of months because you would need to do that consideration. You agreed that it should proceed, so it would more likely be in the second half of this year.

Senator Chris Evans—At the earliest. As I say, government decisions are at least a couple of months away, I would have thought. Do not hold me to that, but it is not considered that it is going to come up in the next month—and then, obviously, one would have to put in place the arrangements. I want to make it clear that this is quite intensive. In the New Zealand scheme a lot of effort had to be put into working with employers, industrial conditions, housing and continuity of work—because one particular agricultural industry might want the workers for six weeks and then someone else might want them for six weeks; they do not necessarily want them for six months. So I just want to indicate that there is a level of complexity about this that requires—

Senator BARNETT—But you are obviously taking it seriously.

Senator Chris Evans—We are taking it seriously. Can I just say that Senator Ellison asked a question about the migration program consultations at the last estimates and he was provided with an answer to question on notice No. 7, on output 1.1, at the previous estimates

round. So it is on the record and Senator Ellison can give you a copy if you cannot find it there.

Proceedings suspended from 6.31 pm to 7.48 pm

CHAIR—I reconvene the estimates hearing of the Senate Legal and Constitutional Affairs Committee. Mr Metcalfe, did you want to say something?

Mr Metcalfe—I have one matter that I took earlier from Senator Ellison, and I think Mr Vardos has an answer as well. Senator Ellison asked me, in relation to the portfolio budget statement page 18, why there were no amounts shown for budget estimates either this year or next for fines for employer sanctions. I am advised that the legislation was passed last year. There are a number of prosecutions currently in train, but we have had no fines awarded by the courts at this stage. Therefore, the accountancy treatment was that, until we start realising the level of fines that may be imposed by the courts, it is unsafe to make any estimate of what the revenue might be. It does not mean that nothing is happening: there is action in that area, but we do not yet have a basis on which to make an estimate of what the revenue level might be. I would expect next year that we would start having enough data to provide that information.

Mr Vardos—Chair, I quoted from a table in the previous session and I promised Senator Barnett that I would clean it up and table it. My scribbles have been removed and it is tabled.

CHAIR—Senator Boswell, did you have some questions?

Senator BOSWELL—Just before the recess, I gave the officers some questions—one, two, three, four and five. I wonder whether they have been able to get some information. Could I ask you to respond to those?

Mr Metcalfe—Senator, we can, I think, respond to the first question.

Senator BOSWELL—Can you explain why there are 42,000 457 visa holders that remain unaffected by the 3.8 per cent increase? What are the reasons for their remaining unaffected?

Senator Chris Evans—Senator Boswell, I think I explained to you earlier that it was an estimation by the department of those numbers that would be above the MSL. For the doctors, the nurses and the others who come into the country, such as the IT professionals, the department estimated from its records that that sort of number would be above the MSL; therefore, their salary and conditions would be on awards or other contracts which are higher. That is why they would not be affected. As we said before, there was an estimation of who might be on the MSL. It is an educated calculation, but nothing more, as to what the department thinks from its records, based on what people indicated they would pay when applying. We think there may be that many people on the MSL.

Senator BOSWELL—Can you give an outline of the number of people on the 457 visas—nurses, doctors, and whatever you have?

Mr Metcalfe—Senator, you may want to read our response to your questions two to five in *Hansard*. Our response is that we are unable to provide that information this evening. We checked. We do not have that information with us. At the time you gave them to us, at the dinner break, there were no officers available in the department to extract the relevant information.

Senator BOSWELL—Okay. If they can, could they outline the total number of people registered in the four visa categories so that it is on the record. What about question three? Were you able to get anything else?

Mr Metcalfe—No. The same applies to three, four and five, Senator.

Senator BOSWELL—When would you be able to provide that?

Senator Chris Evans—We will try and get you those. Senator Boswell, I will undertake, and the secretary will undertake, by tomorrow to get you the best we can.

Senator BOSWELL—Okay.

Senator Chris Evans—If we cannot get it by tomorrow, we will advise you, and we will try to get it to you.

Senator BOSWELL—Okay.

Senator Chris Evans—I am equally happy to offer you a briefing on the 457 complications about the pay rates. It is complex. If you want, we can organise that as well.

Senator BOSWELL—Okay. Thank you for that.

CHAIR—We will continue with questions on Output 1.1.

Senator ELLISON—Is the government considering any changes to the ASCO classification levels that are eligible for 457 visas? I do not know what input the department has in relation to that. If it is DEEWR, what input do you have? Are you considering making any submission to them to change them?

Mr Hughes—As part of the examination of the longer-term changes to the 457 arrangements and the joint working party with DEEWR, that issue will be on the agenda. Right now, there are not any specific new codes being considered that I am aware of, but that issue will be on the agenda as part of the long-term review.

Senator Chris Evans—The key issue with that, from my discussions with the industry, is that people increasingly want to move down the ASCO code. I have tried to make the point more generally that increasingly it is a question of a labour shortage, not just a skills shortage, and so people are looking to bring in people who are lower down the ASCO codes. There is certainly a push on from industry and various employers in relation to that, but there is nothing formally before the government in the sense, certainly, of our portfolio anyway. It is probably worth asking DEEWR directly as they have responsibility. But there is nothing formally that we are proposing in relation to the code structure.

Senator ELLISON—Another area, which I think I asked about last time, is the trucking industry review. I think we were advised that the trucking industry working group would be completing its report by the end of February or thereabouts, if I recall. Minister, have you received that report? What can you tell us about it?

Senator Chris Evans—I have received the final report. I have had a few questions and I have also sought to discuss it with the Minister for Infrastructure, Transport, Regional Development and Local Government, Mr Albanese, as it falls within his portfolio area. We have had a couple of quick discussions between the officers about that. We hope to finalise a response shortly. As you would understand, Senator, it was initiated under the previous

government. The ownership, if you like, is not inside. I have had to familiarise myself with the history of it as well, as to where it came from, and the same with Minister Albanese. But we have got it, and we should be able to respond to it fairly shortly.

Senator ELLISON—Can you provide a copy of the report to the committee?

Senator Chris Evans—I will take that on notice. I am just not sure what the status is. I will check that for you.

Senator ELLISON—Another review is the agricultural industry review. That was scheduled to report earlier this year, I think.

Senator Chris Evans—Until I saw your press release, Senator, I had never heard of it. Perhaps one of these officers can help us.

Senator ELLISON—More good work in progress.

Mr Vardos—The last meeting of the agriculture committee is scheduled for a fortnight's time, I think. The committee's draft report will be the sole agenda item. We are hoping to wrap it up in the next fortnight, and then it will go to the minister after that.

Senator ELLISON—Minister, will that report be available to the committee, or made public?

Senator Chris Evans—I have expressed my ignorance on these issues, Senator Ellison, so I will take that one on notice. That is, I have not received it yet.

Senator ELLISON—We mentioned COAG and its work. Just to go back to that, it was ongoing, was it not? We said there was going to be a meeting of officials who are going to report to that ministerial council. Am I right?

Mr Vardos—We were referring to the Commonwealth-state working party on skilled migration, which is also meeting in the next two to three weeks. It will be reporting to the Ministerial Council on Immigration and Multicultural Affairs—MCIMA—not COAG.

Senator ELLISON—We have gone through a fair bit of 457 visa funding during these estimates. Does any of that funding comprise funding from last year's budget, or is it entirely new funding?

Mr Vardos—Senator, we have an ongoing budget, which has been funded by a number of budgets in previous years. That is now our base. Measures that were announced in the recent budget will flow from 1 July.

Senator ELLISON—Is it possible to identify funding which is still continuing?

Mr Vardos—Not at the moment, Senator.

Senator Chris Evans—The money in the budget was associated with new measures as a result of a budget bid, so that is new money in the sense that it is funding new activity. Whatever was funded previously for ongoing activity is being carried on.

Senator ELLISON—None of that has been cut?

Senator Chris Evans—I am aware it has been cancelled. We have new money for new cards.

Mr Metcalfe—That is correct. There had been new policy measures in the past, and that funding continues as part of the base of the department. The minister is right: the budget brings with it further new policy money—that \$19 million or \$20 million or so that we talked about earlier—but, in addition to those particular areas of policy, there is of course resourcing that sits in the department for processing and activity in relation to 457 visas. That is the subject of the resource agreement that I referred to earlier, Senator.

Senator ELLISON—So none of that has been cut?

Senator Chris Evans—We did not rob Peter to pay Paul in terms of initiatives, if that is what you are asking.

Senator ELLISON—There is 457 English language training. I am talking here about the children of 457 visa holders who come from a non-English-speaking background. In Western Australia I saw an example where a state-funded program had some vacancies and was accommodating some of these kids in Greenwood Senior High School, I think. Has it been brought to the government's attention that there are 457 visa holders who come here with their family and their children are in need of extra English tuition? If that has been brought to your attention, are there any plans to accommodate that?

Senator Chris Evans—It has been brought to my attention. The department may have issues to add, Senator, but I think it is fair to say a number of state government ministers have raised the issue with me. The Western Australian state government has raised with me in representations from at least two ministers recently the question of the resourcing costs to state governments resulting from the influx of 457 workers and their dependants, particularly as it relates to the education system, because the state education department ends up providing educational services but also deals with the special needs and demands of those without English skills.

My youngest son has left his primary school—he is a big boy now, at high school—but Subiaco Primary School was dealing with the difficulties. I am not saying they were all 457-related families, but there was a large influx of people with a non-English-speaking background in a school that had not had huge exposure to that before. Of course the demand is then on teachers to provide additional assistance to deal with those issues. I am aware of those ongoing social issues. It is fair to say that a number of state governments are saying, 'Well, hang on, we are carrying the load of the costs of these measures.' It is another of those areas that, in the original scheme, was not really contemplated. Now we are dealing with the issue. I think it is on the agenda for the ministerial council meeting. If it is not, I know the WA state government will raise it, because they have raised it with me directly. But I am not sure whether it is formally on the agenda at this stage.

Mr Vardos—Minister, I cannot recall whether it is formally on the agenda but it is certainly something that has come up at the standing committee of officials on a number of occasions, not just for 457s but for a range of other visa holders who want to access the primary and secondary school system in Australia.

Senator ELLISON—What is the Commonwealth's attitude to this? Is it just a state problem or is there something that—

Senator Chris Evans—We have a cooperative federalism.

Senator ELLISON—I have noticed, especially regarding the GST on fuel—

Mr Metcalfe—Certainly the traditional position of the Commonwealth government, over successive governments, has been that the Commonwealth provides the funding through the overall education budget for English language training for school-age children through grants administered or through payments made through DEEWR. Of course, my department is responsible for adult migrant English under the AMEP. That has focused, though, on permanent arrivals. I think it is fair to say that it has not focused on the demands that have now arisen in relation to temporary migrants who may bring families with them for shorter periods. Ultimately those issues largely sit in the education portfolio because it goes to the level of Commonwealth funding that should flow to the states—whether or not the issue is an issue the states should pick up or, indeed, whether business or employers should pick up that particular issue.

Senator Chris Evans—In other countries, Senator Ellison, I gather that some of their so-called guest worker schemes preclude bringing partners and children. It is not the sort of scheme we are running, but there are other models that have been run in other countries. One of the emerging complications of our scheme is the needs of dependants—be it for education or health.

Senator ELLISON—Yes. I suppose skilled migration is more competitive. If you want the people, they want to bring their family if it is for a long period.

Mr Metcalfe—I think it is just another example of the policy issues that are now emerging, given the popularity of the temporary skilled migration program. It is an issue the states raise with us from time to time. I do not know if it is formally on the agenda of the ongoing working party that the minister and the Deputy Prime Minister will lead, but is the sort of issue that fits into that category. It is not an issue that is confined to our department or our portfolio. These issues, of course, move across into other portfolio areas.

Senator ELLISON—That is more a nationwide issue, but it was a situation in Western Australia which came to my attention. Dealing with Western Australia, the hotels association there has a proposal to bring in 110 Balinese workers and is working with the department. Where has that got to?

Senator Chris Evans—Certainly from my point of view—the department might be able to help—I certainly met with Mr Woods from the AHA recently, together with their training person. That followed a conversation I had had with him at our community consultation on the migration program. He put their proposition to me and we went through all the details et cetera. I expressed the view to him that I thought it was an interesting proposition and the department would work with them in advancing it. One of the things I said to him, which is I think a key in all these things, is that the community and the government would have to be convinced that they were putting enough effort into training Australians first. I said that, while there was some appeal in the program—in part because there were shortages here, in part because it was largely about skills development and in part because the relationship between Bali and Western Australia had been so strong—and clearly there were some strong points to the proposition, there is community concern about the investment of the industry in training, particularly in the training of chefs and cooks. I think there has been a deal of public

commentary and concern that not enough effort had been put into that as there should have been.

The view of the broader community, and my view, would be that, if we were convinced that they were putting sufficient effort into the training of local people—Australian residents—to supplement that, this training scheme could provide part of the answer and we would look at it constructively. I know they were having ongoing discussions with the Western Australian office. I do not know whether Mr Vardos wants to add anything, but I certainly gave them a good hearing and did not discourage them. However, I made the point that they would have to be able to convince me and the Australian public that they were not training the Balinese at the expense of training Australians who would want opportunities in the hospitality industry.

I know they were having ongoing discussions with the Western Australian office. I do not know whether Mr Vardos wants to add anything, but I certainly gave them a good hearing and did not discourage them. However, I made the point that they would have to be able to convince me and the Australian public that they were not training the Balinese at the expense of training Australians who would want opportunities in the hospitality industry.

Senator ELLISON—Mr Vardos, where has that got to?

Mr Vardos—Senator, I am advised that we have had a teleconference recently with the chain in question and they are considering their position following that teleconference. They will get back to us. I have nothing further than that at the moment.

Senator ELLISON—It has some potential merit.

Mr Vardos—Yes.

Senator Chris Evans—I think it has some potential. As I say, I think there are a lot of upsides but, as with all these temporary migration schemes—and this is more about a training proposition, but they are talking about bringing in people for 12 months, so it is a fairly lengthy period—it is predicated on there being community confidence in the scheme. One of the key questions that people ask is: ‘Why haven’t you made such an investment in Australian youth?’ The first thing I ask everyone who comes in the door with these things is, ‘Show me your program for developing Indigenous employment opportunities.’

It seems to me we have a labour supply in Australia, and that is large numbers of unemployed Indigenous people, in addition to other communities where unemployment is high. One of the tests I use when I am approached with these things is about people’s local bona fides. I am not saying we will do one or the other but, particularly when they are working in regions in Australia where there are large numbers of Indigenous people without work, it is the first question I ask them. But I think it has some merit, some appeal. It is a question of working it through. I have suggested that they keep me informed. I will talk to them about how they might advance it.

Senator ELLISON—The state government has mentioned bringing in East Timorese into Western Australia. Has there been any approach to the Commonwealth government in relation to that?

Senator Chris Evans—I think I got a letter, subsequent to the media speculations, Senator Ellison, as happens with a number of these matters. I think I received a piece of correspondence from Minister McTiernan, but, as you know, she has pursued the issue of employment opportunities for East Timorese people for some time as part of her commitment to East Timor. I guess at the moment the government is only formally considering whether or not a South Pacific Islander labour scheme might be entered into and no consideration has been given to alternative propositions in the unskilled area, if you like. But I know there are a number of propositions going around about East Timorese in a potential involvement in oil and gas industries and things. There is nothing formally before me and we are not considering anything of any substance at the moment.

Senator ELLISON—It would require both governments to work together for that to happen. There has been a lot of speculation and comment. This is something the state government wants to do, but basically that is as far as it has got.

Senator Chris Evans—I have tried to make the point more broadly that, moving from a skilled migration program to a labour migration program, of any sort, has to be debated broadly in the Australian community on an understanding of the issues. As you know, we have a debate about the conditions that should apply to temporary skilled migration at the moment, and tonight we have been discussing that range of issues. What I have indicated is that increasingly the demands on me, as the Minister for Immigration and Citizenship, and the demands on government more generally, are for skilled categories that traditionally have not been considered to be skills, or semiskilled or unskilled labour. That is a debate that Australia needs to have before we go down that path. I have not been advocating it. I have just been trying to generate a public debate that reflects the reality.

What most people do is dress up a request for labour as a request for skills in areas that have not been traditionally regarded as skilled labour areas. I have said we have to debate whether we want to go down that sort of path. The South Pacific thing, as I indicated before, is a different program in the sense that there are foreign affairs and international relations aspects to it, but equally we are looking at it as a possible trial. It is not a panacea for all issues. There are huge difficulties and commitments required in running any such scheme. At the moment the government is looking at this proposition about a Pacific Island labour scheme, and that is where we are at, in terms of serious consideration at the moment.

Senator ELLISON—I know you have been looking at the New Zealand pilot scheme. Have any departmental officials been over there to have a look at it?

Senator Chris Evans—Mr Metcalfe is your man.

Senator ELLISON—When did you go?

Mr Metcalfe—About three or four weeks ago—in the first week of May.

Senator ELLISON—Okay. Is it true that that takes a more narrow approach in its application in that it deals with horticulture and agriculture only?

Mr Metcalfe—It is largely limited to horticulture. The New Zealanders separately identify viticulture, but it appeared to us that it is largely at this stage in the wine industry and the apple and pip-fruit industry, as they describe it in New Zealand.

Senator Chris Evans—‘Pep’.

Senator ELLISON—The?

Senator Chris Evans—‘Pep’.

Senator ELLISON—I am sure Hansard will pick up the—

Senator Chris Evans—The nuances.

Senator ELLISON—The pronunciation. What was your impression of the scheme and how it was working?

Mr Metcalfe—It was fascinating. We had been obviously observing the scheme with some interest. It is only about a year or so old and we had been getting reporting from the head office of the New Zealand Department of Labour, and Immigration New Zealand, but it was good to go there with a number of colleagues from other departments and see it firsthand, to be able to talk to a number of the employers and contract labour hire providers, to meet briefly with some of the workers and to talk to local community leaders and other government experts. The whole idea was to get a more hands-on understanding.

The scheme certainly has arisen as a result of labour market shortages in New Zealand. Like Australia, New Zealand has very low levels of unemployment. Indeed, in parts of the country where the scheme is operating, such as the Marlborough district, at Nelson, at the Bay of Plenty and at Martinborough, there is virtually no unemployment. It is virtually absolutely full employment. My understanding is that for some years now New Zealand has been looking at solutions to labour shortages, particularly in those areas where the labour has been traditionally supplied by casual labour—quite often that is backpacker working holiday type of labour. To some extent that can be unreliable; there can be high turnover of staff and whatever. So the New Zealanders have been looking at solutions for some time. They have a very strong policy of New Zealand first—that New Zealanders should be offered employment opportunities first and there should be training and other programs in place. But they have now developed that into the more formal recognised seasonal employment scheme, or RSE scheme, which is what they have called their scheme. That provides for opportunities for Pacific Islander workers to come in on a basis of approved employer sponsorship by recognised employers. It applies to a number of countries. They have half a dozen countries where they are primarily doing the work. But New Zealand also has the potential for labour to come in from other parts of the world. I think that, again, is one of the schemes they have looked at. We visited one apple orchard, for example, that had workers there from both the Solomon Islands and China. We were able to obtain a lot of firsthand experience. All of that will be fed into the sorts of issues that our ministers will consider, as the minister has indicated.

Senator ELLISON—And does the Recognised Seasonal Employer system envisage that the person or the employer has to be accredited?

Mr Metcalfe—That is correct.

Senator ELLISON—When they employ the person on a seasonal basis, they return home and then they can come back again.

Mr Metcalfe—That is the essential concept of the scheme. It is only accredited or recognised employers who are able to access the scheme. They source workers from one of the Pacific Islands in question. We have had people from the Solomons and from Kiribati, but there are also people from Tonga and Vanuatu coming in under the scheme. There are periods of eligibility to work in New Zealand of six to eight months in any 12-month period. That varies slightly by country because of some bilateral arrangements that New Zealand has entered into.

The expectation is that, if there is a continuing demand for labour next year, the employers would bring the same people back. That has some advantages in that they then have a more skilled workforce, because in apple picking and pruning and wine grape picking and pruning there is an element of skill. It is certainly hard work—very hard work—getting up ladders and that sort of thing. It was quite clear that in the early days the workers required a fair bit of tuition and were not particularly productive, but their productivity increased over time. I think the aspiration is that, as the years go on, if the trial is regarded as successful—and they are still very much in a trial stage—there would be ongoing relationships established between employers and employees, and indeed communities in New Zealand and communities or villages in some of the countries themselves. Another policy objective is to provide elements of a remittance culture so that people actually had money at the end of the season to take home to inject into their local economy as well.

Senator ELLISON—One thing that I was curious about was the pastoral care that you provide. These people are coming to New Zealand and had not been there before and are unskilled. What community support is there for them during their working period? Sure, New Zealand has Maoris and these people are from the South Seas and there is some kinship there, if you like. With Australia, would that have to be a consideration as well do you think—from the Pacific?

Mr Metcalfe—I am sure that our ministers will consider the full range of social, economic and international issues when they come to look at these issues, but it was quite clear to us that the New Zealand scheme has focused on the aspect of community and social issues that you refer to. In the couple of places where we saw the scheme on the ground, I think there were not only indigenous Maori New Zealand populations present but some of them also had existing Tongan or Vanuatu populations as well because of New Zealand's migration pattern over past decades. But it was very clear that consideration needs to be given to, essentially, what people do when they are not at work—their accommodation arrangements and transport as well as their recreational activities and their ability to interact properly with the local community.

So there are quite a complex series of policy considerations that the New Zealanders are looking at. Theirs is not the only experience. For some years Canada has been bringing people from the Caribbean under similar sorts of arrangements, and that is something that we are aware of as well. All of these issues are important issues to consider.

Senator ELLISON—Are there any other examples of countries that have programs for guest workers or unskilled workers to temporarily come in from overseas? You mentioned Canada and the Caribbean.

Mr Metcalfe—The two that we are most conscious of are New Zealand and the Caribbean. There are of course many other examples.

Mr Vardos—The British had a scheme, didn't they?

Mr Metcalfe—Yes.

Senator ELLISON—Italy?

Mr Metcalfe—I am not personally familiar as to whether there is an identical program of unskilled workers coming into countries on this basis of staying for a while, then going home, and then coming back again. Certainly the two of which we are most aware, and which would appear to be most relevant to any decision to have a trial in Australia, would appear to be New Zealand and Canada.

Senator ELLISON—I have another question on this as it is quite important to considerations here in Australia. From looking at the website, to become an RSE—that is, an accredited employer, if you like—it says there are a number of criteria that have to be met. It states:

To show that you meet these requirements, we will verify your claims with other agencies ...

Those agencies include the New Zealand Council of Trade Unions, other services of the Department of Labour, industry bodies et cetera. That seemed to be quite a rigorous test, if you like. Did you have a look at that at all?

Mr Metcalfe—We did. New Zealand of course has some structural differences to Australia in that the one department incorporates both immigration and labour, and of course they do not have a state government level as well. So the aspects of immigration, but also labour market supply issues, labour market inspections and occupational health and safety issues all lay within one agency. It was our clear impression that it was quite a resource-intensive task for that agency—and they put a lot of resources into it—as well as some other agencies including their ministry for foreign affairs, given the international dimensions as well. But it struck me that it was a rigorous trial and that there were quite a lot of hoops for employers to go through.

One of the many conclusions we came to was that it is quite clear that in these circumstances, foreign sourced labour is much more expensive, or relatively more expensive, than is locally acquired labour because transport costs, health, and other costs need to be factored into the cost to the employer. It was also interesting to observe that this was not a trial or a policy operating in isolation; it was part of efforts to eradicate the employment of illegal labour and generally to improve the working conditions and the quality of activity in that particular horticulture and viticulture industry. We were very grateful to the New Zealand government for organising what was a very comprehensive visit. We will certainly ensure that that material is available to not only our minister but to other ministers as they consider these issues down the track.

Senator ELLISON—Speaking of other ministers, I have a report here that, during the 18th Australia-PNG Ministerial Forum on 24 April this year, foreign affairs minister Stephen Smith asked Papua New Guinea to prepare a formal paper on possible seasonal labour arrangements. He indicated the probability of an announcement at the Pacific Island Forum in August. That

would seem to me to be a much tighter time frame than what you described, Minister, in relation to how you see it rolling out. The source of that was a media conference at the forum in Madang in New Guinea on 24 April this year.

Senator Chris Evans—Yes. I can help you there, Senator Ellison. What I have said is that it will go to the government in the next couple of months, you know, in June. We are in May now.

Senator ELLISON—Were you aware of that report?

Senator Chris Evans—I am. I went flying over from Perth to Canberra one night and raised it with Minister Smith. I was not going to say too much—it was up to him to respond—but I think it overstated the position a little bit. I think he had it raised with him and he invited them to make a submission. As I said, I do not want to put words into Mr Smith's mouth, but I got a sense that the report was perhaps a little more bullish than perhaps his comments had been.

I do not know about the announcement aspect, but I think there was a conversation. There is a lot of demand for Australia to participate in such a scheme in the South Pacific and in Papua. As you have indicated, a request has come out of East Timor. When I was in Indonesia late last year, or January this year, people inquired about the possibility of Indonesia perhaps being able to supply labour. Effectively, I think, where you have countries in our region that have an excess of labour and lower wages, they are very interested in accessing Australia's labour market.

Senator ELLISON—Thanks for that. The top of page 250 in Budget Paper No. 2 talks of 'Visa arrangements for international touring productions—ensuring opportunities for Australian musicians and technicians', which is always a good cause. It states:

The Government will provide \$1.7 million over four years to ensure that international touring productions employ at least one local band or artist as a support act.

How will this measure work, and what is involved? Will it mean that, if Elton John comes here, he has to have an Aussie band backing him up or he otherwise does not get a visa? How will it be implemented?

Senator Chris Evans—One of the officers can help you in a second, Senator Ellison, but it was an election commitment by the Labor Party which is also being honoured in this budget. It was a commitment to improve the accountability for visiting acts to employ Australian support acts. I met with the music industry to discuss some of the issues involved in Perth recently. I know they were going on to see Minister Garrett, who has policy carriage, if you like. We implement the visa, but the policy is in the arts portfolio. But I had a discussion with him about the implementation et cetera. Perhaps one of the officers can help in terms of the detail of the process.

Mr Kukoc—This is the government's election commitment. We are currently consulting with the Department of the Environment, Water, Heritage and the Arts on the way it will be implemented. We will be preparing a consultation paper and we will be going out and consulting a number of stakeholders before finalising the details of the implementation. Essentially at the moment the intention is to amend the 'net employment benefit' definition in

Migration Regulation 1.12A, which will require international touring productions to employ local bands or artists as a supporting act.

Senator ELLISON—That might be a laudable proposition—and we all love Australian bands and Aussie rock—but if a person says, ‘Yes, I’ll do this,’ and then comes to Australia and does not live up to the obligation, does that void the visa and are they then booted out of the country? Has any thought been given to how it will be policed?

Mr Vardos—As Mr Kukoc just said, it is still developing. We are still working on the concept. There is a consultation process to go through, and clearly they are the sorts of issues that we will need to address.

Senator Chris Evans—Could I say, though, that most of these bands, et cetera, are brought in by established promoters, and these are some of the people I met with. There are a limited number of people who bring out international acts to Australia. They are professionals. They run big operations. They are involved already in consultative processes about Australian employment conditions as part of that process. If you like, this is a bit of a strengthening of some other provisions that are being proposed. When I discussed these issues with them, they were not opposed in principle. They had issues about how it might work, particularly where they had particular artists where it clearly was not appropriate. For instance, if they were doing one of those Japanese operas that go for about nine hours, a support act might well not be—

Senator ELLISON—Not AC/DC?

Senator Chris Evans—It must be the right type of support band.

CHAIR—You are showing your age, Senator Ellison.

Senator Chris Evans—Quite frankly, after about nine hours of Japanese opera—

Senator ELLISON—AC/DC is quite popular today, I will have you know. There is nothing ageist about it.

Senator Chris Evans—My 12 year-old son’s band plays AC/DC, I will have you know, Senator Crossin.

Senator ELLISON—Yes. Gee!

CHAIR—That does not mean he listens to them, though.

Senator Chris Evans—I think you will find his mother has indoctrinated him into the benefits of AC/DC.

CHAIR—I am feeling ashamed.

Senator Chris Evans—But, seriously, there are clearly occasions when it would not be suitable—with a long act, or what have you.

Senator ELLISON—Yes.

Senator Chris Evans—And that is a reasonable point. But the consultations are occurring. It is a very limited set of constituencies, if you like. Obviously there are the relevant media and entertainment unions, and there are the interests of the promoters and artists. It is an

election commitment that is being progressed. But I am sure it will have a sound policy outcome.

Senator ELLISON—Visa options for superyachts crews was an election commitment, was it not?

Senator Chris Evans—Fixed.

Senator ELLISON—That is \$2 million over four years to implement a new tailored visa arrangement for the crews of superyachts. That has all been put in place, you say?

Senator Chris Evans—The commitment has been honoured. I announced the implementation of that up in Cairns a few weeks ago. We have a sort of temporary arrangement until the visa comes in on 1 October, is it?

Mr Kukoc—Yes. Temporary arrangements will be implemented through the 456 business visit visa until the new superyacht visa is delivered in October 2008.

Senator ELLISON—Will they pay tax on their income while they are in Australia?

Mr Kukoc—All temporary residents are subject to taxation as temporary residents, which involves a flat tax rate of 29 per cent.

Senator Chris Evans—I might admit my association with the superyacht, which I all too briefly got to go onto in Cairns, which was an example. I did say I was available for a week's tour, but they did not seem to take me up on that offer. Three of the crew that I met were Australians, so it is a very international industry. But there are a lot of Australians working in the industry. They were Australian citizens, but clearly there is an international mixture in the crews.

Senator ELLISON—Does anyone know anything about workers compensation? It is just that this new temporary visa applies to working in Australian waters. Is it no different to, say, 457s? Is that how it will be styled, do you think, when it is finally determined?

Mr Kukoc—This visa will be only for the on-board crew members of superyachts, so the work allowed will be only on board the superyachts.

Senator Chris Evans—I think we can take on notice some of the taxation arrangements.

Senator ELLISON—Yes. I am interested because—

Senator Chris Evans—But the key thing is that it is a visa for the crew only to do crewing duties while in Australian waters.

Senator ELLISON—Yes. I am aware of the issue and it is one I support. In Budget Paper No. 2 at page 255, immigration health screening processes are allocated \$34.1 million over four years to strengthen and improve the administration of health requirements for visa applicants under the Migration Act. Is this new funding?

Mr Kukoc—It is new funding.

Senator ELLISON—Firstly, can the department provide a summary of the measures being taken to strengthen processing and a breakdown of the costs involved? I am looking at that table and there are no figures there. Can you explain that to me?

Ms Prothero—The reason for that is that it is a lapsing measure. As a lapsing measure, the forecast of the forward expenditure is already reflected in the estimates, despite the fact that the program may in fact cease if it does not get approval to continue forward. This is one matter on which cabinet decided to continue the program, so the figures were already there. So it is new money in the sense that it is money available to us that would not otherwise be available to us. That has already been reflected in the forward estimates.

Senator ELLISON—Because it had previously been put aside for this.

Ms Prothero—That is exactly right.

Senator ELLISON—It has been returned to you, if you like—no? Wrong term?

Mr Metcalfe—It was in our base.

Senator ELLISON—Yes.

Mr Metcalfe—It has been decided to continue and therefore the money remains in our base. If it had not continued, we would have lost that amount of money.

Senator ELLISON—Okay.

Senator Chris Evans—You are right to conclude that that is not at all clear from the budget papers, Senator.

Senator ELLISON—I am just trying to work through that for a start. Then I would like to know. It says, ‘to strengthen and improve the administration of health requirements for visa applicants’, and it also states:

These changes will lead to greater consistency and coordination of decision making and establish information sharing arrangements with the States and Territories. Health requirements for visa applicants will be restructured to better match the level of risk posed to public health.

Is this a sort of bureaucratic measure between governments? At first blush, I thought it must have meant you were going to have new testing processes, or you were going to expand it or improve it. What does it mean?

Mr Hughes—If I recollect correctly, the key elements are centralising the decision making of the health waiver within the department, but also strengthened arrangements with state and territory governments for follow-up of health undertakings.

Mr Kukoc—This is part of the departmental response to the Australian National Audit Office report in 2007, which made eight recommendations for strengthening the health requirement administration in the department. The department has agreed to all eight and is now in the process of implementing six measures for which the department got the money late last year as part of the additional estimates.

Senator ELLISON—Could you provide us with information on those six measures—not now, but take them on notice and provide the committee with that information?

Mr Kukoc—Certainly, Senator.

Senator ELLISON—Thank you.

Mr Metcalfe—Just to summarise, Senator, the funding was provided to us in additional estimates earlier this year and so this budget treatment of it simply reflects that the money

already has been allocated. The measure arose from the previous government's response to an ANAO report on health checking. But in this budget, as we discussed earlier, in addition to those measures which were decided upon by the previous government and probably reported in MYEFO or PEFO—

Ms Prothero—No, it had not been reported there, which is why it is reported now.

Mr Metcalfe—I think it is being reported now because it was not reported in the pre-election fiscal outlook document. But in addition to those measure agreed earlier this financial year, there is new money for increased scrutiny of overseas providers to the tune of around about \$2.5 million rising to \$3 million a year. So, collectively, these represent a strengthening of medical health-checking arrangements for our visa programs.

Senator ELLISON—I just note in passing that under that on the same page that for the Indonesian movement alert system additional funding will continue to 2011. That is good stuff. Those are all the questions I have on output 1.1, so we can move on to output 1.2, unless there are any further questions.

CHAIR—Are there any further questions on Output 1.1?

Senator KIRK—I have a question, Madam Chair. I want to find out more information about the 410 visa, the retirement visa. Minister, are there any plans to make any changes in relation to that, particularly whether or not there are likely to be any pathways put into place to move to citizenship or permanent residency?

Senator Chris Evans—It is clear that you, along with every other member of parliament, have been very effectively lobbied by the 410 visa holders, who have proved to be quite a force in the lobbying industry and ought to think about taking on contracts from other organisations.

Senator ELLISON—The coalition has changed its policy, too.

Senator Chris Evans—Yes, 11 years too late. Just when you became impotent, you decided to get on board. Be that as it may, I welcome the bipartisan support. I have indicated to the various advocacy organisations of the 410 visa holders that my basic position is that people who have sought to settle and remain in Australia ought to have a pathway to permanent residency and citizenship. I think that has been the nature of our society for a long time.

We have encouraged people to proceed to citizenship if they have made a commitment to the country and intend to live here long term. I have made it clear to them that I think we ought to work to find a pathway for them. I have a couple of things I am pursuing that will address a couple of their immediate concerns. One of the things that does concern me with this group is the insecurity that many of them feel, not so much the general visa holder who understands the situation and understands that the visa rolls over every four years, but some of the more elderly current visa holders. In particular those who have, say, lost a partner or fear losing a partner have a higher level of anxiety about perhaps being forced to leave the country. That is obviously not a good thing.

I am trying to find ways of providing a bit more reassurance to them about some of those issues. There are other issues about work rights and taxation, which we are pursuing, but

ultimately what they want is a pathway to permanency and on to citizenship. I have made it clear that I am personally supportive of trying to find those pathways for them, but at the end of the day that will be a decision in the budget context between their requirements and the requirements of other visa holders, and what have you. In the end, it will be a budget decision, and it was not in this budget. I made it clear to them it would not be in this budget.

But I am sympathetic. We have engaged with them. We are looking at some short- or medium-term measures that might provide greater security and fix up some of the anomalies, but at the end of the day, to proceed to a permanent residency, we will need a budget decision to allow them to move along that path. I indicated to them that I would take an active interest in the issue.

[8.46 pm]

ACTING CHAIR (Senator Kirk)—Okay. We should be able to move on to Output 1.2. Senator Ellison, do you have questions in Output 1.2?

Senator ELLISON—Thank you, Madam Acting Chair. Dealing with the offshore humanitarian program, one thing that I was curious about was cases where a prospective refugee or humanitarian entrant has more than one wife, what process takes place to ensure that only one wife is provided with a visa. Have you come across that yet?

Mr Metcalfe—We have, Senator.

Senator ELLISON—How do we handle that?

Mr Metcalfe—With compassion.

Senator ELLISON—Yes, not a bad start.

Mr Metcalfe—Australia has clear laws in relation to that issue. Essentially, it is up to the applicant to decide the composition of their family unit based upon the principle of one husband and one wife, or two principals.

Senator ELLISON—Is it the applicant who makes the determination?

Mr Metcalfe—That is usually the situation that would apply. Thereafter, they sort it out themselves.

Senator ELLISON—I understand the department is receiving \$7.3 million over four years for the 500 increase in the Iraqi intake. Does this cover the whole of that 500, or is part of it that the department has to absorb some of the costs as well?

Mr Metcalfe—No, we have been funded for that. That is a 500 increase next year only, but those people will have ongoing costs associated with them in the portfolio. That is the four-year effect of the 500 place increase next financial year, and we have been funded for that.

Senator ELLISON—Please have a look at page 252 in Budget Paper No. 2. That table for the Humanitarian Migration Program—additional 500 places. It talks of the \$7.3 million, but also in terms of the four out years—you have got \$3.8 million, \$2.8 million, \$0.6 million, and \$0.1 million. Forgive me, Mr Metcalfe, but I understood you to say that it was just for one year.

Mr Metcalfe—No, the 500 is for one year, but those 500 people will of course have costs that arise as they remain in Australia. We would expect next year's program to include an additional 500 places for Iraqis. Of course the government is yet to make announcements about the overall composition of the refugee and humanitarian program between the various places of need around the world. But, because of the particular issues associated with displaced Iraqis, this particular measure is there. Those figures show that the costs for our department are likely to be larger in the first year or so as those people come to Australia. They largely reflect our costs relating to people's selection, and transport and arrival in Australia. You can see that there are costs in other portfolios which relate to other aspects as they settle into the community.

Senator ELLISON—But in so far as the Department of Immigration and Citizenship is concerned, the total cost will be \$7.3 million.

Mr Metcalfe—That is right; as reflected on page 252.

Senator ELLISON—I ask you to look at page 254. In the middle of the page, it states:

The Government will increase the Special Humanitarian Program by an additional 750 places from 2009-10 onwards at an estimated cost of \$85.1 million over four years.

Is that full funding for that extra 750?

Mr Metcalfe—That is correct.

Senator ELLISON—It seems curious. For 750, it is \$85 million over four years; and, for 500, it is \$7.3 million over four years.

Mr Metcalfe—The difference is explained, by the fact that the additional 500 is one 500 next year. The additional 750 is 750 in each of the years 2009-10, 2010-11, 2011-12.

Senator Chris Evans—We will take an extra 750 people in each of those successive years. It will be four times 750, not three times.

Mr Metcalfe—Yes. We expect 500 additional Iraqis next year, and then an additional 750 people under the SHP program in each of the years after that.

Senator ELLISON—In each of those years—okay.

Senator Chris Evans—The total program projected for the out years is 13,750 as compared to 13,000 in the current year.

Senator ELLISON—So it is really four times 750.

Mr Metcalfe—That is right. Again, there are slightly different costs to our portfolio because for refugees we pay for all aspects of their travel and settlement to Australia, whereas for people under the special humanitarian program we pay for fewer aspects, and more of that falls to their proposers or supporters. There is an explanation for the differential in those costings as well.

Senator ELLISON—Yes: it is quite a differential when you look at it. Even with the extra numbers, for 500 under the program mentioned on page 254, your costs will be about \$14 million, which is double what it is for the 500 Iraqis on the previous page.

Mr Metcalfe—Bear in mind that we are talking about 2,250 people across three years, of course—that is the calculation. We are comparing 500 people in one year. The cumulative effect of 750 is 1,500, so it is 1,500 and then there is another 750, which is 2,250.

Senator ELLISON—Yes, and then another 750 as well after that.

Mr Metcalfe—It is currently just in the forward estimates, so it is three lots of 750.

Senator Chris Evans—In the first year it is 500; and in the second, third and fourth years, it is 750.

Senator ELLISON—Even so, if you are going to get \$85 million for them, and if you work it down to your 2,250, what would 500 cost so that you can compare it with the 500 on the previous page? You are still more than double the previous cost. I appreciate you say they are different sorts of services that are provided, but are they in excess of 100 per cent more services?

Mr Metcalfe—Perhaps a good way to explain it, Senator, is to have a look at the costs on one line item, which is Medicare Australia, for example. If you look at page 252 in relation to the 500 Iraqis next year, we expect that Medicare will incur costs next year of \$10.3 million. For those same 500 people the next year, they will incur costs of \$11 million; for the following year it will be \$8.8 million; and for the following year it will be \$8.5 million. They are the same 500 people. They will of course live on into the future.

If you turn to page 254 for Medicare Australia, you will see that for those 750 people, we have 750 arrive in 2009-10, and they will cost \$13.6 million for Medicare. But, by 2010-11, there will be a total of 1,500 people by the end of that year, so the collective cost will be \$32 million. There will be another 750 in the third year, in 2011-12, and the cumulative costs for those 2,250 people will be \$46.8 million. That is an explanation of the estimated health costs for those particular cohorts; whereas, as I said, the costs for us are usually less for special humanitarian entrants because a lot of the aspects of our services to those people are less than the costs for fully funded refugees.

Senator ELLISON—For fully funded refugees, you have more ongoing liability.

Mr Metcalfe—Yes, certainly. We provide for their travel and the Integrated Humanitarian Service Scheme, such as English language costs and those sorts of things; whereas people arriving under the Special Humanitarian Program do not receive the same level of support because they are arriving, having been proposed or sponsored by families or communities in Australia, with an expectation that the family will bear more of the cost of their settlement.

Senator ELLISON—Do you know if the programs have forward planning to 2011-12, such as skilled or family reunion—because the humanitarian program goes out to the planning for that? I stand to be corrected on that one, but I thought it was different. Anyway, you might want to deal with that.

Mr Metcalfe—The migration program on page 257 shows it going out to 2011-12, Senator.

Senator ELLISON—I might check that and get back to it. Is the refugee program fixed or is this the only increase in relation to the program? I appreciate you are still determining the

mix, but this budget has the refugee program contained in it with the extras that have been announced.

Mr Metcalfe—Yes.

Senator ELLISON—Is that fixed, as such?

Mr Metcalfe—It is fixed in the sense that for next year the refugee intake is fixed at 13,500—an increase of 500—plus the separate allocation of the 500 LEE, locally engaged employees, out of Iraq. In the out years, the total is 13,750. They have been budgeted for in each of the out years. In terms of this budget decision, we have funded 13,500 plus the 500 special cases, and in the out years we have budgeted for 13,750 for the total program.

Senator ELLISON—In relation to funding for IOM and UNHCR, has there been a change to the funding for the OIM between the forward estimates in last year's PBS and this year—and the same for UNHCR?

Mr Hughes—I cannot make that comparison off the top of my head, Senator.

Senator ELLISON—Do you want to take it on notice?

Mr Hughes—But a point I would make is that we have an assessed contribution every year for OIM, plus we also purchase services from OIM. The number of services we purchase from year to year may vary. In relation to UNHCR, the contributions to UNHCR go through the core contributions, and contributions for the International Refugee Fund go through AusAID. We may make some contributions to particular UNHCR projects through this portfolio but not core funding.

Senator ELLISON—The composition of this year's refugee and humanitarian, you said, Minister, is still to be determined. When will that be determined?

Senator Chris Evans—The distribution among source countries, as it were?

Senator ELLISON—Yes.

Senator Chris Evans—That is a decision taken in consultation with the Minister for Foreign Affairs. I am expecting a brief on it any day. Is that right?

Ms Keski-Nummi—That is correct.

Senator Chris Evans—I asked about it a couple of weeks ago, and it is about due. It will be publicly announced when it is made.

Senator ELLISON—Sure. In relation to temporary protection visa holders and those who will be eligible for permanent residency, how many have now completed their health and character screening?

Ms Keski-Nummi—In terms of the recent announcement that was made to all TPVs?

Senator ELLISON—Yes.

Ms Keski-Nummi—That will kick off at the beginning of the financial year. So at this stage we have not sought people to do their health and character screening. There are some people who may transition into the resolution of status visa who may have an application with us at the moment for a further protection visa. Clearly, they will be going through those health

and character checks at the moment. So there is a cohort who are going through that at the moment, but I could not give you the numbers.

Senator ELLISON—What happens if someone does not meet the health or character check?

Ms Keski-Nummi—We would have to look at it at the time.

Senator Chris Evans—It is like a range of other cases; it would have to come back up for consideration. The requirement is that they meet the health and character checks. Clearly, if they fail the character checks that is an issue that would be pursued. Occasionally, on the health check, on other visas, an assurance of support is required or some more examination; there is a range of options. But the requirement is that, to be eligible for the automatic transition, they will have to pass the health and character checks.

Senator ELLISON—Where will that ultimate decision rest if they do not satisfy those checks?

Senator Chris Evans—Everything else in the department comes to the minister, so I suspect it will rest with me. Is that right?

Ms Keski-Nummi—There will be delegated decision makers who will be making those decisions. But, clearly, if any come up where there are character concerns, there would be consultation with us.

Senator ELLISON—That is all I have for now on 1.2.

Senator NETTLE—Is the Afghan housing project at 1.2?

Mr Hughes—Yes is it.

Senator NETTLE—Have we turned the first sod?

Mr Hughes—I am very pleased to say that we have.

Senator Chris Evans—And he has brought his photograph album!

Mr Hughes—We will have a photo album for you of the turning of the first sod. I think I mentioned at previous estimates that this project has taken more time than expected. The Afghan government has had to fit this particular housing project within its local development priorities. I think they have shifted the preferred location and design on a couple of occasions as their development priorities have shifted. There have also been issues that are widespread in Afghanistan, in that the land finally selected had to be cleared of mines before the work could begin. That had to occur. I am pleased to say that—as I have photographic evidence of—work has commenced on the excavation of the foundations for the houses, the school and some other buildings. So the project is now seriously underway.

Senator NETTLE—Is there an expected completion time?

Mr Hughes—There is. It is not in the photographs. I will have to check my documentation. I thought it was towards the end of this year.

Senator Chris Evans—I will make sure that you get an invitation to the opening, Senator Nettle.

Mr Hughes—The end of December this year is the estimated date for completion of construction.

Senator NETTLE—Great. Thank you.

Senator Chris Evans—Are you going to give Senator Nettle the photographs?

Mr Hughes—If she likes, yes.

Senator NETTLE—I will come and have a look.

Senator Chris Evans—We will table the photos!

Senator NETTLE—I want to ask about TPVs. That is also at 1.2. I wanted to ask for an explanation of the transition processes, in terms of putting in place TPVs—that is, when people go on to them and how that all works.

Ms Keski-Nummi—First of all, we have to make regulations for the resolution of status visa. We expect to have those regulations made towards the end of July, which will then allow for people to be transitioned into the resolution of status visa. It will be a fairly simple process. We will be working with stakeholders, and advocates and representatives of TPV holders, so that we can identify and get messages out in relation to the new arrangements—I am sure that it is out there already, but that will be just to ensure that the correct advice is provided. A very simple form—not a detailed application form—will be issued in relation to the basic biographical data that we will need. There will also be forms to undertake the security checking and for people who are on health undertakings, to ensure that they go through the health screening. There are some people who are in the process at the moment who have applications before us for further protection visas. We will continue to decide those until the regulations are made, and then people will move automatically into the new resolution of status visa. We do not want to hold up decisions while we are waiting for the regulations to be made.

Senator Chris Evans—As a general principle, let me make clear, we did not want people to have to go through the reassessment of protection visa. We did not want to put them through that hoop again. The officer is indicating that, for those who are already in that system, where it would delay them, they get the better of the two options.

Senator NETTLE—So, for the people who are on TPVs now, applying for permanent protection, as you described, and other people who are on TPVs, when the regulation comes in—

Ms Keski-Nummi—They will go through that simple process of providing us with their basic biographic data and we will then kick off the health and character screening. Once those have been cleared, a visa will be granted.

Senator NETTLE—Why do their health and security need doing again? Would they not have been done originally when they got the TPV?

Ms Keski-Nummi—They would have been done some years back, yes. Security screening usually is only valid for a period of time and we would need to reaffirm that screening. The health check is essentially to ensure that there are no health concerns. We would be

particularly interested in people who have had health undertakings, to ensure that whatever the health undertaking had shown has been treated and resolved.

Senator NETTLE—Okay, thank you. Can you give me an update on bridging visa E and the review about work rights?

Senator Chris Evans—This was the one where I was going to have to tell you the same thing that I told you last time, Senator Nettle. It is a work in progress. I have been waiting for you to come up with a solution for me! This is proving really difficult. I have been consulting with a number of the groups, and we are going to try to take it further. There are two aspects. No policy decision has been taken, but we are focused on it and doing a lot of work on it, trying to drill down to the problem. I think there is a case for looking at the condition of those who are relying on charity and financial support to survive; that is obviously a social issue that we need to grapple with. I am keen to get on with that.

There are also good public policy reasons for the 45-day rule in terms of the signals that sends in the system. There is a policy issue if you grant people work rights and allow them to continue to stay with full work rights. What policy signal are you sending in terms of encouraging them to go if they have exhausted their processes? The department is doing more work. My office is focused on it. We are probably going to have broader consultation with the advocacy groups. They have all been raising it with me and I have been having those discussions. I have asked them the same question I have asked you, Senator Nettle—for the solution. I think they are starting to apply their minds to that. But we were going to have a formal consultation, weren't we—

Ms Keski-Nummi—That is right.

Senator Chris Evans—to try to bring together the best ideas about how we fix it. But the simple answer is: it is unresolved.

Senator NETTLE—Any idea about the time frame? Last time you said months, not days.

Senator Chris Evans—We have been concentrating on a range of matters, and the others have progressed. This one has not, but it is not for want of effort or recognition of the problem. I am seriously not clear what the public policy solution is. To be brutally frank, I do not know what the answer is. It is complex and tied up with a whole range of visa rules et cetera that you can get entangled in that are a nightmare. I do not know that there is anything else worth adding.

Ms Keski-Nummi—I cannot really add much more to—

Senator Chris Evans—We are working away at it and we have not made any policy decision about the way forward.

Senator NETTLE—I refer to the 45-day rule and the issue of the working rights of people on bridging visas and, in particular, bridging visa E. Is the 45-day rule a separate thing?

Ms Keski-Nummi—They are both separate and tied in with each other. That is the problem of trying to disentangle them. As the minister said, the 45-day rule is certainly one that we are providing him with some advice on and trying to work through the issues at the moment. But there is a proposal to go out and some do external consultation on how we might

best be able to look at changes to the 45-day rule that do not open it up then to other types of unintended consequences, if you like.

Senator NETTLE—Okay. I want to ask about the 90-day processing. Is that in this section as well?

Ms Keski-Nummi—Yes.

Senator NETTLE—The last situation report that I looked at was the beginning of this month. About half of the people in detention had been there for longer than 90 days. Sixty-six of them had been in detention for over two years. At February estimates, the figures I had were: 243 people had been detained for over 90 days.

Senator Chris Evans—Are you talking about the 90-day processing or the long-term detention? Maybe I missed the point. I thought you were talking about processing by the department and the tribunal under the 90-day targets for decision making.

Senator NETTLE—Yes.

Senator Chris Evans—They are not necessarily detainees.

Senator NETTLE—You are right that I started out by talking about processing. But I am now talking about people in detention!

Senator Chris Evans—We hang on your every word, so if you are not coherent we notice.

Senator NETTLE—Let us start with people in detention and then go to processing. Looking at the situation report for 9 May, there are 278 detainees in for longer than 90 days. Last time there were fewer than that.

Mr Metcalfe—I think we have strayed into 1.4, which is detention. If we are looking at people in detention—

Senator NETTLE—Can I ask about processing and how we are going with that?

Mr Metcalfe—Yes.

Senator NETTLE—Can someone give me figures on that?

Mr Metcalfe—So we are back to our compliance with the 90-day requirement?

Senator NETTLE—Yes.

Mr Hughes—In the most recent reporting period—as you know, there is a report required every four months—the department had decided over 83 per cent of protection visa applications within 90 days. I think virtually all of those not decided within 90 days fell into the category of awaiting an external agency check or awaiting some outstanding action on the part of the client. I think with a very small number there was an action of the department that meant that a decision had not been made within 90 days.

Senator NETTLE—How did that 83 per cent compare with previous figures?

Mr Hughes—I am not sure there have been huge fluctuations between reporting periods. I will see if my colleagues can supplement that.

Ms Keski-Nummi—It is very similar.

Senator NETTLE—I will do the 90 days in detention bit later.

Mr Metcalfe—Issues relating to the status and whatever of people in detention is probably something we should cover under the compliance program, under 1.4.

Senator NETTLE—Okay. I think that might be it.

Senator Chris Evans—Unfortunately, you will find that many of them have been in for more than 90 days.

Senator NETTLE—Pardon?

Senator Chris Evans—You keep using the term 90 days in relation to detention.

Senator NETTLE—Yes.

Senator Chris Evans—Of course, many of them have been in detention for a lot longer than 90 days.

Senator NETTLE—Yes. I think that is it for 1.2 for me.

Senator BARNETT—I want to ask some questions and get an update with regard to the people under this program coming from the Middle East, Asia and Africa. Do you have a breakdown of those numbers?

Mr Hughes—I think I was asked by Senator Ellison at the last estimates what target we were aiming for. The target set by the previous government in terms of regional composition for 2007-08 was: Africa, 30 per cent; Asia, 35 per cent; and the Middle East and South-West Asia, 35 per cent. I said that that was the target that remains for geographical composition in 2007-08. I believe we are tracking very close to those regional breakdowns.

Senator BARNETT—Can you say that is the target for the next 12 months?

Mr Hughes—No, not for the next 12 months. That is the target for 2007-08. As the minister previously stated, the figures for 2008-09 are yet to be decided.

Senator Chris Evans—Senator Ellison asked questions about this a few minutes ago. We have not announced the targets yet for next year. That will happen shortly.

Senator BARNETT—No problem. Can you give us a breakdown of where the migrants from the Middle East come from? I am looking specifically at Iraq, Syria, Jordan and Iran.

Mr Hughes—In terms of the Middle East and South-West Asia, I think the principal nationality would be Iraqi, and possibly some Iranians and Afghans. I will ask if my colleagues have any more detail available.

Ms Keski-Nummi—To give a breakdown by nationality, we would have to take that on notice.

Senator BARNETT—Okay.

Senator Chris Evans—Of course, it is not completed yet either, so we will not have complete figures until the end of the financial year.

Senator BARNETT—Maybe for the nine months would be fine, but I would like the latest figures and the breakdown for the top five and then the other countries, if you can do that.

Ms Keski-Nummi—Okay.

Senator BARNETT—With those who have fled Iraq and who have come to Australia, can you break that down in terms of the basis for that? Are they Christians? Are they Chaldeans? What is their background? Can you give us a breakdown?

Ms Keski-Nummi—We do not keep statistics by particular religious groups. We would be able to report to you about Iraqis, but not by religious group.

Senator BARNETT—How do you categorise them then? What is the method?

Ms Keski-Nummi—The two ways that we would process the application under the humanitarian program are, first, a referral from UNHCR. UNHCR would undertake the initial refugee status determination and find someone to be a refugee. Their assessment in relation to the refugee process would be to determine that they are in need of protection and that they meet one of the particular refugees convention persecution definitions. They would normally refer a case to us where it is an individual who might have a link to Australia.

The other group would be under the Special Humanitarian Program. They are people who are proposed by someone in Australia for resettlement in Australia under the SHP. In that context, it can be community groups or families who are proposing people under that particular program. We would normally look at the compassionate, compelling need for resettlement, because, to all intents and purposes, they are as near a refugee as someone who might have been determined by UNHCR. It is a different identification process, if you like, but they are refugees.

Senator BARNETT—There has been anecdotal evidence of an increasing incidence of Christian refugees from some of these countries, particularly in the Middle East and particularly from Muslim countries. How do we track that, or how can we build the evidence to support that view if it is correct?

Ms Keski-Nummi—If it is a basis for persecution—and being a member of a minority group is a basis for persecution—UNHCR would refer people for resettlement to Australia on that basis as well.

Senator BARNETT—Do they advise you of those incidents?

Ms Keski-Nummi—Under the normal refugee determination form, the referral form that they provide us would give us that information.

Senator BARNETT—How can we find out about this in Australia in terms of the increasing incidence of persecution of Christians in some of those countries, and what can we do about it?

Ms Keski-Nummi—We do get advice from UNHCR, clearly, on the situation in Iraq and in terms of the various groups that may be targeted. That does include a number of the minority groups but also groups for other reasons as well.

Senator BARNETT—I have heard some shocking stories of Christians being persecuted in Iraq and, indeed, in other countries. Where do they go? They have to make application through the UNHCR?

Ms Keski-Nummi—Normally people would register with the UNHCR when they get to a country. UNHCR would then go through the status determination processes and then referrals to other countries for resettlement, if resettlement is indeed the best option for the person.

Senator BARNETT—If my constituents contact me and say, ‘Look, we need help; we’re aware of some concerns in Iraq with these things,’ what should I say to these people and what advice should I give them?

Ms Keski-Nummi—Are they in Iraq or outside?

Senator BARNETT—They are in Australia, and they have contacts in Iraq with these people being persecuted. I would like to know how I can help them.

Ms Keski-Nummi—For individuals who are actually in Iraq at the time?

Senator BARNETT—Yes.

Ms Keski-Nummi—That becomes a bit more difficult as well. Refugees are normally outside their country of nationality. We deal with people who are referred to us through the UNHCR process because they have managed to flee their country and need to be resettled elsewhere. There is a small in-country special humanitarian program, but that is used on very exceptional and rare occasions.

Senator BARNETT—Maybe we can write to the minister and he can provide some assistance on the way forward or how some assistance can be provided, if any.

Senator Chris Evans—I do not want to suggest that I will be intervening in these processes, Senator Barnett. I think there has been far too much political interference in the immigration portfolio over the years. I am happy to see whether there are policy issues. But in terms of the selections and the references to the UNHCR, I certainly will not be intervening in that regard.

Senator BARNETT—I hope you can understand—you know the situation for these people who are being persecuted or whose life is at risk in a religious context in a country like Iraq.

Mr Hughes—I think the generic difficulty that is faced is that there are several million displaced Iraqis, both inside and outside Iraq, and people who would be subject to persecution on return. The number of international resettlement places provided by the USA, Canada and ourselves has increased in recent years as UNHCR has encouraged greater resettlement. At the moment, though, I think the number of places worldwide falls below the demand. The government has responded in 2008-09 with an increase specifically targeted at Iraq, but we are always going to face the situation with the total volume at the moment of people displaced or who might be displaced shortly that the number of places available internationally, including in Australia—notwithstanding the fact that we have been a leading country in terms of numbers in recent years—will fall short of the genuine need that exists.

Senator BARNETT—I will make that my final question. Is it the case that Australia is still a leading country in terms of receiving refugees and people under the humanitarian program?

Mr Hughes—We have consistently been in the top three resettlement countries in the world, and we still are. For some years we were resettling more from Iraq than any other

country. However, within the last 10 months or so, the United States has re-entered that field with significant numbers.

Senator BARNETT—Who are the top three?

Mr Hughes—The United States, Canada and Australia.

Senator Chris Evans—I will just stress, though, that in this budget there is in total a provision for 1,000 extra places from Iraq, with up to 600 restricted to the LEE—that is, the people who have been assisting Australia. That is progressing well. The department has done some great work in looking to facilitate that. In addition, there are 500 additional places reserved this coming year for Iraqis. There is a real effort to try to assist in what is a massive, massive problem.

Senator BARNETT—That is noted with thanks.

CHAIR—Is that all we have for output 1.2?

Senator ELLISON—I have a question about displaced persons, on page 24 of the portfolio budget statement. Is that 1.2 or 1.3?

Ms Keski-Nummi—It is 1.2.

Senator ELLISON—Is irregular migration 1.2 as well? Page 24 of the PBS refers to the displaced persons program. Can the department provide a breakdown of the increases in actual funding for this program for 2007-08 and projections in the forward estimates? It says there it is a program whose:

... activities are funded to stabilise and assist displaced people in the region and thereby reduce the flow of unauthorised arrivals—

and that is why I thought it might be border. It continues:

The program also supports projects which assist displaced persons to safely return to their country of origin or resettle to third countries.

Can you give us some detail on that?

Ms Keski-Nummi—Certainly, we could give you a breakdown of some of the projects that are funded under the program. Typically, for instance, we have funded UNICEF along the Thai-Burma border to provide education services for children. We fund UNHCR and IOM and Austcare in relation to the provision of services in particular refugee camps. It is a way of keeping open a protection space in those countries and ensuring that people are not tempted to move spontaneously, if you like, because they can live in safety and dignity in those particular countries. But we can certainly give you a breakdown of the sorts of projects and the sorts of services they go towards.

Senator ELLISON—If you can take that on notice, I would be grateful.

Senator Chris Evans—There was also \$10 million extra put into the budget as a special measure for Iraq in a related activity—

Ms Keski-Nummi—That is right.

Senator Chris Evans—as one-off budget measure.

Senator ELLISON—Good, thank you. Madam Chair, that is all I have on 1.2.

[9.30 pm]

CHAIR—So we have done with 1.2. Let us move to 1.3, Border security.

Senator Chris Evans—We are rolling along.

Senator ELLISON—I mentioned the irregular migrants program, on page 25 of the PBS. It has there, on page 25, 'Management and care of irregular immigrants project in Indonesia'.

CHAIR—Is this 1.3?

Mr Metcalfe—We put this back in 1.2 as well, but we have the officers available here to talk about it.

Senator ELLISON—There is no figure provided for 2008-09. Why is that?

Ms Keski-Nummi—It is a one-off payment to IOM.

Mr Metcalfe—That was a decision by the previous government to provide funding to the International Organisation for Migration to improve infrastructure administered by the Indonesian immigration department—Imigrasi—in relation to a centre for people who may be illegally in the country.

Senator ELLISON—I understand that they are still working on that centre.

Mr Metcalfe—That is right. It was basically a capital project. The money is being provided to IOM and that project is continuing, but the funds have been transferred.

Senator ELLISON—Can I take you now to the Airline Liaison Officer program. Has there been any change to the funding for the Airline Liaison Officer program for 2008-09 and the forward estimates?

Mr Metcalfe—There is none, with one exception. Essentially that money is in the base of the department and so subject to all of those other issues that we discussed this morning about efficiency dividends and the need to finalise internal budgets, which is still underway, but we did mention this morning that the reductions to our overseas A based staffing would include one or two of those positions.

Senator ELLISON—And as I think you mentioned this morning, people trafficking is staying put. We were talking about staffing, so I will just make it clear about the funding as well. Funding in forward estimates was announced in last year's budget to combat trafficking in persons. Is that funding continuing as announced?

Mr Metcalfe—There are certainly no plans to change that.

Senator ELLISON—Without going into the matrix of threat and risk, I take it that the current estimate of potential unauthorised arrivals available to participate in maritime people-smuggling ventures to Australia remains much the same.

Mr Metcalfe—That is correct. You are aware that the figure, which has indicative funding, of 100 arrivals has been there for a couple of years now. I think it had previously been set at 500. Of course, that figure is very much an estimate. It is our hope that no people will arrive in that way. But if more did arrive, then additional funding would flow to the department; it is not something we would have to absorb.

Senator ELLISON—In 2006-07, the estimate was for a thousand waiting in the region. That does not necessarily say a thousand land in Australia but a thousand waiting.

Mr Metcalfe—Certainly we have continuing reports of activity by people smugglers and continuing reports of people coming to this region from elsewhere who may be interested in onward travel to Australia. We remain very active in working with regional countries, liaising with them, to try to reduce the potential for that sort of unauthorised travel.

Senator ELLISON—I saw on a recent visit to Jakarta the very good work being done by officers of the department and other officers at the mission in relation to this work and related work.

Senator Chris Evans—Can I say, Senator Ellison, that while I have very strong disagreement with a whole range of the previous government's policies, many of the initiatives in that space have been very worthwhile and successful. We have continued support for those in this budget. I am very focused on that regional engagement, the continuation of the Bali process and those sorts of things. There was a Vietnamese delegation here from the department yesterday, and the Thais the week before. Yesterday, or the day before, I took the opportunity to meet with them and the department to reinforce the message that we are very keen to work with them.

Senator ELLISON—That was going to be a question, so I am pleased to hear that. The Bali process also dealt with trafficking and touched on transnational crime. Is all of that included in the above?

Mr Correll—In relation to people-smuggling and people-trafficking issues, we work very closely with both the Australian Federal Police and the Department of Foreign Affairs and Trade. The Department of Foreign Affairs and Trade has appointed an ambassador against people smuggling. The types of bilateral dialogues we have with countries in the region are invariably conducted on a cross-agency basis. For example, the recent dialogue with the Vietnamese group included extensive discussion about people smuggling and trafficking issues with the AFP and DFAT involved.

Senator ELLISON—If I can broaden it a bit from just Indonesia, we had some initiatives in Vanuatu to review their border alert system and the passport-issuing system in Tuvalu. Is that still continuing?

Mr Metcalfe—There is a whole suite of engagements administered by our international cooperation branch and our border security division that look at strengthening the capability of partner agencies in the region, the provision of training in relation to document fraud and related issues and the sharing of information about patterns of irregular travel or trafficking. As the minister and Mr Correll have indicated, that is a very high priority for us and one where, frankly, the department has gone from having poor capability 10 years ago to really being able to do some good work in partnership with other agencies.

Senator ELLISON—On the state-of-the-art document examination laboratory in Thailand, is that all good—is it still going?

Mr Correll—Yes, there is continuing close cooperation. We engage with a number of projects with the Thais, particularly, as you might imagine, in areas like document examination. Forensic document examination is a very significant issue in that location.

Senator ELLISON—So there is no review of these border programs?

Mr Metcalfe—They are constantly reviewed and evaluated, but from a positive sense of ‘How we can make them work as well as we can?’ There is not a department of finance initiated cost-cutting exercise.

Senator Chris Evans—There is no weakening of commitment. We are actually looking for new opportunities. As you would appreciate, with the Prime Minister having a foreign affairs background and a deep interest in our region, he is very supportive of any initiatives we can take to improve cooperation in the region and engagement at departmental and ministerial levels. You certainly will not see any slackening of that effort. In fact, I think you will see the opposite.

Mr Metcalfe—There is a particular measure in the budget. You would be aware that for some years we have been working with the Imigrasi in Indonesia in relation to their border alert system, the so-called CEKAL system. That is very close to finalisation and placement in the five major ports that were identified. The budget provides some ongoing funding for the maintenance of that program. So it will not just be left as is. That is evidence of the government’s ongoing commitment to that project.

One of the more innovative things we have done is to provide for masters level study for a small number of graduates from the Indonesian immigration authority, Imigrasi. We now have a group of around a dozen who have moved through that masters in administration conducted, strangely enough, in Adelaide. We continue to see that the future leaders of that organisation are very well grounded in Australian society and Australian training. That is the sort of investment that the Australian Defence Force and the Australian Federal Police have made with similar counterpart organisations. It is the sort of thing that I am sure will prove beneficial to both Indonesia and Australia in the years ahead.

Senator ELLISON—Minister, you mentioned looking for further options in this area, and I could not let estimates go by without quoting the Australian Labor Party national platform.

Senator Chris Evans—I thought you had moved on.

Senator ELLISON—No, this is too good to let go.

Senator Chris Evans—I am going to send you a membership form.

CHAIR—You probably look at more than we do.

Senator ELLISON—On page 222 it says—and it is not unreasonable:

Labor will develop further multilateral solutions, recognising the importance of regional neighbours, with the aim of eradicating people smuggling, deterring secondary movement and enabling refugees to access processing and appropriate settlement outcomes.

Are you looking at any further multilateral solutions in the region? We had two rounds of the Bali process. Have you given thought to any multilateral proposals pursuing that?

Senator Chris Evans—Certainly a number of ministers have discussed with the Indonesians the continuation of the Bali process. But that is led by the Minister for Foreign Affairs rather than by me. I certainly met the Indonesian foreign minister and discussed some of those issues with him. It is my intention to make a trip to arrange with those countries, in the near future, to strengthen those ties. Obviously, as part of that there will be an agenda of issues that we want to raise and potential initiatives. But I would rather not go into the detail because they have not been finalised. We are certainly very keen to engage and to see how we can work more closely together. Mr Debus, the Minister for Foreign Affairs and I—a whole range of ministers—are engaging in that sort of activity.

Mr Metcalfe—Just for the sake of completeness, I put on the record that not only are we working with foreign governments, but, of course, we work very closely with the UNHCR, both at headquarters level in Geneva and in the region, and with the International Organisation for Migration, both at the headquarters in Geneva and in the region. They are critical partners. This program is designed to ensure that people are treated with safety and dignity and, in seeking to prevent illegal travel, to ensure that people do not have their lives placed at risk through making hazardous voyages. If they are seeking permanent protection solutions, it is designed to ensure that that is able to be put in place without people having to risk that voyage to Australia. This is motivated very much from a humanitarian perspective to ensure that people's lives are protected. That has a very significant design through the involvement of UNHCR and IOM in our regional arrangements as well as close liaison with foreign governments.

Senator ELLISON—Will the department's overseas compliance officer program remain as is? I understand there are some 31 officers at 23 Australian diplomatic missions who are involved in the collection of immigration intelligence. Will that remain as is?

Mr Metcalfe—It will remain as is apart from the minor changes that Mr Fox indicated earlier this morning. I think one or two of those 16 positions will be from that particular network. We are working very closely with our regional directors to ensure that our overall operational compliance and program management needs are effectively managed within the resourcing that we have available.

Senator ELLISON—Have there been any changes to Australia's regional counterterrorism capacity-building initiative?

Mr Metcalfe—Insofar as our department is concerned, no. I obviously cannot speak for other—

Senator ELLISON—Only as far as your department is concerned. You mentioned overseas compliance and identity training. I asked you about Thailand specifically, but you mentioned it generally. Is that remaining intact as well?

Mr Metcalfe—It is administered a couple of ways. We have document experts located in Manila and Bangkok, from memory, who are actually forensic document specialists. They engage not only in services to us but in capacity building with services throughout the South-East Asia region. It is also supported by work out of our national office and our overseas posts.

Senator ELLISON—I refer to the Prime Minister's Office of National Security, can you tell the committee what relationship the department has, if any, with that office?

Mr Correll—It is a close relationship in that there is effectively a network of Commonwealth agencies that form part of that national security group. Through secretary level meetings and official meetings below that level to ministerial level meetings there is effectively a coordinated network of agencies, officials and ministers involved in the national security process. We have regular dialogue with the various representatives in that national security network.

Senator ELLISON—Is there any cost for the department associated with that?

Mr Metcalfe—None other than the usual costs of our engagement with other agencies. You would probably recall that I was very closely involved when I was Deputy Secretary of PM&C in the establishment of what was then called the national security division. Its intention was very much to coordinate and strengthen the work of the various security and intelligence and related agencies, such as Customs and Immigration. I am very pleased that, now badged as the Office of National Security, we continue to have an extremely close working relationship with them.

Senator ELLISON—In a transcript dated 29 November last year the Prime Minister said:

On the question of the office of the National Security Advisor ... or headed by the National Security Advisor that will be located within the Prime Minister's portfolio. I'm already in discussions with the Department of Prime Minister and Cabinet about how that will be physically structured. That's proceeding.

That came after a speech he gave just three or four months earlier when he cited one of the reasons for national security as being to combat people smuggling. Is the role of that new office to take that over as a responsibility or will your people-smuggling task force remain as is but work in with this new office?

Mr Metcalfe—Essentially the Office of National Security has grown out of the national security division. Our working relationships remain very close and very strong. People smuggling is certainly seen by the government as one of the many issues associated with effective national security.

Senator ELLISON—Okay. Is the review of the Department of Homeland Security still continuing?

Mr Metcalfe—I think Mr Ric Smith is still undertaking that review.

Senator ELLISON—I think that the department was participating in the review?

Mr Metcalfe—I have met with Mr Smith and provided some thoughts and ideas. We provided some written material to him on areas where we had some suggestions. In fact, one of our assistant secretaries has been seconded to assist Mr Smith, but not to represent the department. He is a very capable officer who is working with him as part of his team.

Senator ELLISON—Do you know when he is due to report?

Mr Metcalfe—I think it is the end of June.

Senator Chris Evans—I thought it was the end of June.

Mr Metcalfe—That is obviously something we do not have particular knowledge of, apart from the announcements.

Senator ELLISON—You would have expected to have some idea.

Mr Metcalfe—Mr Smith is a very capable former public servant.

Senator ELLISON—I agree with that.

Mr Metcalfe—I am sure he will stick to his deadlines.

Senator ELLISON—I am sure he will; I agree with you. There has been an announcement about the review, if you like, and about setting up an Australian coastguard. That is being looked at in much the same way as the Department of Homeland Security.

Mr Correll—My understanding is that that would be picked up within the ambit of Mr Smith's review. We have not had any other involvement or input in the notion of a coastguard, or any separate involvement in any cross-agency debate on that issue.

Senator ELLISON—Although border protection command would be an area that you would have quite a bit to do with, wouldn't you?

Mr Correll—We do.

Senator ELLISON—In your submission on homeland security, you are not making any comment about whether or not there should be a coastguard? You are not covering that?

Mr Metcalfe—I think that is probably going towards policy issues, so I would not want to be drawn on that particular point. We are a very keen client of border protection command, Customs Coastwatch and ADF capabilities, and we will obviously provide advice to the review and to ministers as appropriate.

Senator ELLISON—There is a defence white paper working group on that. Is the department involved in any way with that?

Mr Metcalfe—I am certainly aware of the white paper work that Deputy Secretary Pezzullo is leading in the Department of Defence. To my knowledge we have not had any direct involvement with them at this stage. But we know those folks well and I am sure there will be some discussions at some stage.

Senator ELLISON—That is all I have on 1.3, thank you.

Mr Correll—There was a question raised earlier about the changes to the ETA system. There was a query put about what changes had been made to the ETA system in April. I can advise on that. Commencing on 21 April, the new central movement alert list system commenced rollout within the ETA system. It started initially with two selected nationalities. Since that time it has been rolled out to 28 of the ETA nationalities—that is, the electronic travel authority nationalities. It basically means that it provides a stronger, more advanced type of watch list checking arrangement. It also has a back to border operations centre base checking arrangement within 12 hours. The impact of it has been to improve the quality of the border security checking through the movement alert arrangements and to also facilitate faster travel processing for legitimate travellers. It has also taken off a load of referrals that used to occur under this arrangement with local posts. The referrals that have been necessary to local posts have been reduced quite significantly as a result of this change. As a result, we gain

some efficiency out of the operation as well. This has been quite a significant development and improvement in the operation of the electronic travel authority system.

Senator ELLISON—Thank you for that.

Senator BARNETT—The maritime crew visa has only recently come in. What is the status and how you are getting on?

Mr Metcalfe—It has been a terrific success. We have achieved a very high number of registrations. We have been able to work in a very cooperative way with industry and other interested parties, such as the relevant unions. We believe that it provides a couple of very good lessons for us. One is about the benefits of a very strong stakeholder relationship in developing the program and another is about the innovative use of technology to provide a solution that is working very well.

Senator BARNETT—That was one of the queries when it was first started, in terms of technology and whether they would embrace it. Obviously if they did it would be more efficient. Has that been found to be the case?

Mr Correll—Yes, it has been an outstanding success. The use of maritime crew visas became compulsory from 1 January this year. The fact that we have heard so little in the public domain is a reflection of the fact that it has been warmly embraced by the industry. In fact, the number of applications for maritime crew visas—all of which are coming in via the internet from agents—has exceeded expectations. We see it as a great success. We have had terrific feedback from the shipping industry about the way it is going.

Senator BARNETT—How many applications have you had? Do you have any figures on that?

Mr Metcalfe—Just while we are finding that information, Senator, I can say that one of the strategic objectives in the department over the last few years has been to make a sincere effort to improve our stakeholder engagement and to be an outwardly focused organisation. I recently launched in the department an internal practice guide on how to develop and nurture good relationships, proper relationships. We launched that at an internal seminar in the department last Monday week. Llew Russell, the head of Shipping Australia, came down and was able to interact with our staff who had developed the maritime crew visa. The two sides were able to tell a very good story. It is not just an example of us doing what industry said they wanted us to do; it is an example of where we were able to work cooperatively to address an issue. Ultimately, the original rationale for the visa was that ship crews were not subject to the sort of visa checking that everyone else was subject to—it was a security gap. It has been addressed in a very effective and efficient way.

Mr Correll—Senator Barnett, I do not have the precise data, but the figure is over 300,000. The figure exceeds expectations by 60 per cent and we currently have 99.8 per cent of applications being electronically lodged.

Senator BARNETT—What was that?

Mr Correll—It is 99.8 per cent of applications being electronically lodged. It is virtually complete lodgement electronically. From our benefits realisation assessment after this went in,

we believe that the fact that it has gone in in this way has avoided about \$2.6 million in costs that would have been incurred had it been processed in paper applications.

Senator BARNETT—Well done. That sounds very encouraging. Good work.

Mr Correll—Thank you.

CHAIR—Let us move on to output 1.4, Compliance.

Senator ELLISON—In relation to compliance, I refer to pages 23 and 24 of the portfolio budget statements. Reference is made to maximising compliance:

... through increased detection and effective warning systems, ensuring compliance through the imposition of sanctions and administrative actions, and the investigation and prosecution of unlawful behaviour.

What measures are being introduced in 2008-09 to increase detection?

Mr Metcalfe—Are you talking about the last dot points on page 23?

Senator ELLISON—Yes. At the end where it states:

... maximise voluntary compliance by raising the awareness of immigration laws, stopping people who might consider non-compliance through increased detection and effective warning systems ...

I am concentrating mainly on the latter part of that budget statement. I want to know what measures are being introduced to increase detection. That is what it is saying there. It says it is a key strategy.

Mr Metcalfe—That is right. A whole suite of measures contribute to that comment. Mr Correll just referred to the Central Movement Alert List as an example of better identification of people on the alert list to ensure our targeting in that way is better. That is just one example. In relation to raising awareness of immigration laws and trying to detect people who may be seeking to breach laws, another major area is the employer sanctions laws that have now been passed by the parliament. We work closely with business in relation to that and through related measures such as the capacity for business to inquire as to a person's work rights through an interactive electronic relationship with the department. There are a range of particular measures there that we are happy to answer any specific questions on that you might have.

Senator ELLISON—I was just wondering whether there might have been something more specific.

Mr Metcalfe—You can see it is a strategy. The work of the compliance division is focusing increasingly on ensuring effective preventative action rather than simply focusing on dealing with the problems after they have emerged. Something that has changed, I think, since the last estimates is the move of the compliance and case management division into the group of divisions administered by Mr Hughes. The other divisions are the migration and temporary entry division, the refugee, humanitarian and international division, and the citizenship, settlement and multicultural affairs division. We want to increasingly focus on our end-to-end business process and not regard visa compliance as a separate program with its own separate objectives but to integrate its work into our overall visa and citizenship processing arrangements.

Ms O'Connell, the head of that division, is very mindful of how we design programs in her division. Mr Hughes and his overall group are also mindful of that objective. I think we will see increasing connectivity within our end-to-end business process to try to prevent problems arising through effective risk management and quality assurance processes. That means we will then have less of an issue down the track in terms of people working illegally or overstaying their visas.

Senator ELLISON—Apart from those other issues mentioned about health screening, is the government considering any changes to health screening or reporting measures?

Mr Metcalfe—I stand corrected, and I will correct myself if I have any more detail, but I think the answer is no. The last major look that was had at this issue was the Australian National Audit Office review last year. I add that, on some key indicators, Australia basically has world's best practice. Our incidence of TB is extremely low compared to other Western developed countries or indeed other countries. That reflects the effort we put into prevention of tuberculosis through our screening methods. That led to that series of measures that were announced previously in additional estimates. I am very pleased with the new budget measure which will allow us to more closely to supervise the overseas panel doctors, the people upon whom we rely. That is a good initiative that will strengthen what is already a good health checking program.

Senator ELLISON—How many section 501 category (1) to (6) cases have been referred to the minister during the period from December 2007 to date?

Senator Chris Evans—I think we will take the actual number on notice. But, effectively, I have delegated that authority into the department. Obviously, exceptional cases come to me but—

Senator ELLISON—As that is being taken on notice, could you also provide the figure of how many have been considered by the delegate?

Senator Chris Evans—Yes.

Senator ELLISON—How many new guidelines or reforms have been introduced in relation to the handling of section 501 cases?

Senator Chris Evans—I will get one of the officers to answer that question. A lot of work is going on in this area to try to analyse and streamline decision making. Mr Hughes, are you the right person?

Mr Hughes—The possibility of new guidelines is still under consideration.

Senator ELLISON—Do you have any idea when we will see those guidelines? You are saying that possible new guidelines are under consideration. Does that mean that new guidelines have been played with or looked at, or is it a question of whether or not you will have them or not?

Senator Chris Evans—No. As I understand it, the existing guidelines are still being applied. If you are asking me whether I have changed the guidelines, I am pretty sure that the answer is no.

Ms O'Connell—Other than as the minister mentioned, the delegation for who is the decision maker has been delegated to the department. Other than that, there has been no change to the policy settings or guidelines in relation to the administration of section 501 considerations.

Senator Chris Evans—We have requested some work from the department. I received a brief the other day. I have gone through it and I have asked for some more information. I am trying to get a good handle on it to make sure we apply consistent principles. But there has been no change to the guidelines.

Senator ELLISON—Are there any changes or reforms to the bridging visas or a bridging visa fee?

Mr Hughes—No.

Senator ELLISON—You might have to take this question on notice. Can you provide the litigation costs for the department since December 2007?

Mr Metcalfe—We will take that question on notice. We will obviously have to choose a point in time—

Senator ELLISON—To date?

Mr Metcalfe—Yes, we will have to calculate to date. It might take a bit more time than if we were to calculate, for example, to the beginning of the month. But it almost the end of the month. We will take that on notice and provide you with a response.

Senator ELLISON—Thank you. The government made a commitment to review the asylum seekers appeal mechanism. Where are we at with that?

Senator Chris Evans—No decisions have been taken with regard to that issue. In answer to earlier questions from Senator Nettle about ministerial intervention I said that they were all connected and would require legislation. No decisions have been taken in regard to those matters at the moment.

Senator ELLISON—Some 247 cases of people held in immigration detention have been referred to the ombudsman. Is that pursuant to the two-year requirement?

Senator Chris Evans—No, that is a separate caseload.

Senator ELLISON—That is a separate caseload.

Mr Metcalfe—The 247 cases were referred on the basis that they were thought to have been unlawfully detained. Ms Bicket gave some information about that this morning. That was as to the various issues relating to the fact that we have subsequently determined that some of those people were not held unlawfully, but the vast majority were. We provided some advice to Senator Nettle relating to compensation and other follow-up in relation to those cases.

Senator ELLISON—Thank you. You have clarified that issue for me. That is all that I have on compliance.

CHAIR—Senator Nettle, do you have any questions?

Senator NETTLE—Yes. Earlier I was asking questions about the period that people remain in detention. I have worked out where that came from.

Senator Chris Evans—It wasn't just me getting tired and emotional, Senator?

Senator NETTLE—No. It related to two things. I was working under an understanding of the Labor platform, which is that people should be in detention for only 90 days. I could not find that on the website.

Senator Chris Evans—I think our policy refers to the shortest possible period. There was a policy objective of decision making, both primary and appeal stage, being within 90 days, which was implemented in the 2005 legislation. It is now a legal requirement. That policy position, which Labor had always advocated, was picked up by the government in that legislation. The 90-day detention suggestion is a new one on me.

Senator NETTLE—In my mind I was harking back to Labor Party policies on refugees. Maybe I am wrong.

Senator Chris Evans—You and Senator Ellison ought to swap notes on ALP policy.

Senator NETTLE—I know. I had looked it up straightaway and could not find it. The other reason it was there was I asked last time about the 90-day processing limit. The transcript indicates that I asked you whether the government was doing anything additional to try to stick with the 90-day time frame. That was after I had been given the figures. You said that this falls into the category of under active consideration and 'no doubt we will come back in May and I will be better placed to talk to you about this issue.' That was the other reason it was there.

Senator Chris Evans—I think we are both totally confused, Senator Nettle. I am happy to talk to you about the 90 days. My understanding is that they relate to the information you got from the department and from the tribunal about trying to make them meet what are now the statutory 90 days. The tribunal, in particular, was asked why it was not meeting those numbers. I think it is fair to say that I have indicated my concern about that. One of the issues I have been discussing with the principal member is how to improve the efficiencies of the tribunal to enable it to meet those deadlines. There was discussion about the changed legislation and he expressed concern that it would make the process slower and so on. We are looking at managing those issues to try to meet a statutory 90-day requirement process. I am keen to ensure that we get as close to those time lines as possible and that I provide prompt ministerial intervention decisions so we do not get long-term detention. People have said recently that they do not want ministerial intervention detention because they do not like the result. It seems to me that if you do not make a quick decision people end up in detention longer. So that is only one half of the solution. We are certainly committed to shorter time frames and to giving people fairness, justice and appropriate rights by trying to keep it in a time frame that allows for efficient decision making and resolution of immigration status. The great fault in the current system has been the failure to resolve immigration status quickly. If you decide to detain some people and you do not resolve their status quickly, they end up being detained for a long period. I think we might have had crossed wires there. It might have been my fault last time, but today it has been your fault.

Senator NETTLE—Sure.

Senator Chris Evans—I will go you one each.

Senator ELLISON—The national platform did mention appeals to federal magistrates. What is the situation with that? Is that still something that you are looking at?

Senator Chris Evans—As I said to you, Senator Ellison, no decisions have been taken regarding the implementation of changes to the application and appeal processes. Any changes in that regard will require consultation and legislation and, if you like, a new architecture. You cannot do one without the other.

Senator ELLISON—No.

Senator Chris Evans—As I have indicated in relation to the various aspects of the current architecture, no decisions have been taken to changing it.

Senator ELLISON—You should bear in mind that evidence given in the estimates committee hearings for the Attorney-General's Department has revealed that federal magistrates courts are now doing a huge whack of family law—about 80 per cent to 90 per cent of it.

Senator Chris Evans—The other day one of the retiring judges made a pretty strong critique about the number of immigration cases he had had to deal with. I think you should get a copy of that statement, Senator Ellison, as I am sure you would find it interesting.

Senator ELLISON—Federal magistrates are being called on to do more and more. In fact, in many respects they are the backbone of the federal judicial system. I am sorry, Senator Nettle, I did not mean to interrupt you. I wish to deal with an issue that I have placed under compliance, but I am not sure whether it should be there. Has the department provided, or does it expect to provide, any staff to the Clarke inquiry?

Mr Metcalfe—No.

CHAIR—Are there any further questions on output 1.3 or 1.4? We will deal now with output 1.5, detention.

Senator ELLISON—Senator Nettle can start this time.

Senator NETTLE—Thank you, Senator Ellison. I will start by asking about the redevelopment of Villawood detention centre. What stage has that reached?

Mr Correll—As part of the 2008-09 budget, the government announced the redevelopment of Villawood. At present work is proceeding on the scoping and design for that centre. Work on the first phase is included in the 2008-09 budget. That will allow scoping and design work to proceed into the 2009-10 budget for the full redevelopment works under the two-stage process involved in design and construction. So it is on the way and it has been announced in the budget.

Senator NETTLE—Is that at the same site?

Mr Correll—Yes.

Senator NETTLE—Is that on the land between stages two and three and stage one?

Mr Correll—No, it is on the existing site. The project will involve redevelopment in exactly the same location as the current Villawood site.

Senator NETTLE—Does it include an expansion of the capacity of the facility?

Mr Correll—The detailed scoping and design work is part of the first stage to get that penned down. Until that is done it is a little pre-emptive. I do not think that we can say much more about it at this stage.

Mr Doherty—The scoping exercise that has already been done puts down some basic designs on the existing site, including vacant land sitting between stage one and the existing centre.

Senator NETTLE—Does it include the use of that land?

Mr Doherty—It includes the vacant land that forms part of the Villawood site.

Senator NETTLE—Was there a proposal at some point to sell off that vacant land?

Mr Doherty—No. The history of the Villawood land is that a large proportion of it was disposed of by the previous government in 2002. That is now privately owned and quite separate from the Villawood site that we are now redeveloping.

Senator NETTLE—The land between stage one and stages two and three?

Mr Doherty—Yes, our part of the land between stage 1 and stage 2. There are complexities around the borders of that land. One piece in front of stage 1 is a private piece of land. A further piece of land that has been disposed of more or less backs onto Miller Road.

Senator NETTLE—Thank you. So there was an asbestos issue on the land at Villawood. Has that issue been resolved? Does the redevelopment have any implications for that? I recall that it was resolved by keeping it in the soil if there was to be any redevelopment.

Mr Doherty—We have had a number of asbestos contamination issues at Villawood. For example, in 2006 we found some asbestos fragments in the top part of the Villawood site. That was dealt with at that point through remediation activity. We have recently removed some old buildings off the site that had some asbestos contamination. We had some asbestos contamination in some other parts of Villawood but they were dealt with as we found them.

Senator NETTLE—Will the redevelopment proposal have any implications, for instance by re-opening up to the air the asbestos contamination that had previously been dealt with?

Mr Metcalfe—Clearly, any redevelopment in that area would need to be mindful of potential contamination flowing from old buildings that were demolished in the past and that might have had some topsoil put over them and that sort of thing. The fact that that land has been owned by the Commonwealth for over 50 years, and that there have been asbestos issues on the site, will be a consideration in how any redevelopment occurs and in the best way to ensure that there is no harm or risk to anyone as a result.

Senator NETTLE—Have any changes been made to stage 1 since the HREOC report that came out at the time of the last estimates about stage 1 of Villawood?

Mr Metcalfe—Not since that report. Plans and immediate work are being looked at in relation to stage 1, to make improvements. Clearly, there is a need for some very short-term work in relation to stage 1 improvements, and they are being looked at at the moment.

Senator NETTLE—Is that separate to the redevelopment?

Mr Metcalfe—Essentially, there is a long-term redevelopment plan and then there are some short-term works that we are keen to progress. I think it is fair to say that I suspect no-one is as keen as we are to see better facilities provided at Villawood. We have been seeking to do that over many years. I am very pleased with the budget decisions this year that will see that long-term development progressing. The minister has made it very clear that he expects some short-term activity to occur until that long-term redevelopment is brought on stream. That is something we are pursuing with great vigour.

Senator NETTLE—What are the short-term works for stage 1?

Mr Doherty—The short-term work for stage 1 involves a project worth about \$4.5 million. It progressively upgrades most parts of stage 1. For example, we are creating a new higher care area within stage 1. We are improving the visitor facilities at the front of stage 1, looking to remove as much razor wire as possible around stage 1, and providing improved parking and recreation facilities within stage 1.

Senator NETTLE—Thanks. At the last estimates we were told about the management support unit. The minister described the management support unit at Villawood as totally unacceptable. Have there been any changes to that since then?

Mr Correll—Yes. Again, I will get Mr Doherty to comment in more depth.

Mr Doherty—We have a \$2 million refurbishment program which will be coming on-stream for the management support unit. That involves the removal of much of the heavy steel infrastructure around it and its replacement with a more domestic style building. We are putting in extra living rooms, separate recreation areas and renovating the whole building in that process.

Senator NETTLE—So that is the management unit, not the first area where you go into the visitors area a bit behind that?

Mr Metcalfe—From memory, it is at the back of stage 3.

Senator Chris Evans—If you have been there you would remember it.

Mr Metcalfe—It is right at the top of the centre.

Senator NETTLE—You go around to the right and then up the back?

Mr Metcalfe—Yes, that is correct.

Senator NETTLE—When you go into the actual cells of the management unit, is there a change to those? You described other changes around the building.

Mr Doherty—Yes, that is part of the renovation. We will renovate all of the internal fit-out of that building and bring it back to individual en-suited style accommodation for people in detention. It will be very domestic in its presentation.

Senator Chris Evans—I do not know whether any other officer wants to explain the needs for the client base. I gather that it has been seen as a bit of a punishment cell operation, but there are other needs for people, not to be isolated but to be separated or observed. Mr Casey will take you through that to demonstrate that it will fulfil a variety of functions for which it is currently totally inappropriate.

Mr Casey—As you know, my prior role was very much in detention, health and those sorts of changes. I think the minister is right in relation to the ‘management support unit’ euphemism. It has been seen very much as a place to hold people who have been behaviourally disruptive or violent. We think that we have a much greater need in that environment for a much more multipurpose support unit. In particular, we have a problem in that people might require more close observation and support for the distress and anxiety involved with their detention. The only facility we have available for that close observational support has been to move them to stage 1.

I am sure that you and many other people have commented—as we have—that that is not an appropriate strategy to try to support people. As you would appreciate, we also have cases of self-harm. We need to be able to provide close support and supervision to prevent some of those instances. Rather than, in a sense, converting the management support unit into a softer version of the management support unit, our thinking and our discussions with the minister are much more along the lines of how we can use that in a much more supportive way, taking away all the steel doors and ending that sort of lockdown mentality and using that facility for much more of an observation and intensive support area, mainly for people who are liable to harm themselves or who need intensive and close supervision to prevent self-harm—much more moving away from the MSU as being a punishment type facility and using it to support people who may be placing themselves at risk of self-harm and stuff like that, so to change the whole use of that part of the facility.

Senator NETTLE—Earlier you described the presentation of the MSU as being much more domestic-like. When visiting Baxter I saw the more individual en suite type rooms. I think it was one of the newer areas. Is that the kind of format you are talking about?

Mr Casey—We have some initial ideas. There will be en suites, but not like the management support unit. I am sure you have been to the one that used to be at Baxter. I used to work in the juvenile justice area. The area is for people, in particular young people, who need to be supported and who may sometimes act out and damage things. The en suited rooms have softer plastic and no steel, and provide a much more supportive environment. So, yes, they are for people who might need closer supervision, but they are more along the lines of preventing things such as self-harm and helping people to settle, rather than the usage they have historically been put to.

Senator NETTLE—I have another question about Villawood. Was it last week that two people were on the roof at Villawood?

Mr Casey—I am pleased to tell that you they are no longer on the roof. They came down tonight.

Senator Chris Evans—I think if you had asked that question half an hour ago they still would have been on the roof. They are now not on the roof, I am very pleased say. They came down an hour or so ago.

Senator NETTLE—What was the issue and how did it get resolved?

Mr Casey—I think it is fair to say the issue was that these two people had received a negative outcome to a recent review. They were quite distressed about it and they wished to protest. They have been told that that is not going to make any difference and that sitting up

on the roof in this sort of weather is not going to be very productive. So they came down tonight of their own volition. Over the last two days there has again been supervision and support, and precautions have been taken to ensure that they do not harm themselves. We have worked with the police to make sure that the scene has been secured and that the individuals do not do any harm to themselves. They came down tonight of their own volition.

Senator NETTLE—Were they two Chinese men who had 417 applications?

Senator Chris Evans—I am informed that these two gentlemen are part of the long-term detainee cohort. They were two of the group that I reviewed recently after the Ombudsman's report. Following my review of the cases they were identified as continuing on a removal pathway. Obviously they were distressed at that decision. Today I received a facsimile from them which is in the form of another MI request. As Mr Casey indicated, there was no negotiation over outcomes. They undertook their own decision to come down. But, clearly, their reaction was against getting an adverse decision.

Senator NETTLE—What decision was that? I just want to get the process right. They were long-term detainees and that is why their case was being reviewed?

Senator Chris Evans—Yes. As you might recall, I undertook to review all the long-term detainee cases over two years. The Ombudsman's last report had 61 of them. By the time I came to do the report 72 fell into the category of having been there for more than two years. I reviewed each of those cases individually and worked with the department and with the Ombudsman's office in looking at pathways for each of them. I wish to stress that, while we got good cooperation from the Ombudsman's office and used their expertise, the decision was mine and not the Ombudsman's. They assisted in the process and provided advice to the department, my office and to me, but in the end I reviewed each case. I put out a press release with those outcomes—those who were on a visa pathway, those who had outstanding matters that could not be resolved, like current court appeals et cetera, and those who I determined would remain on a removal pathway, a group of 24 or 25. I think five or so of them have already been removed, and these two gentlemen fall into the category of those who it was confirmed would stay on a removal pathway.

Senator NETTLE—Is that a removal pending bridging visa?

Senator Chris Evans—No, it means detention pending removal from the country.

Senator NETTLE—Were they stage 1?

Senator Chris Evans—No, they were stage 2.

Senator NETTLE—I wanted to ask about the Labor policy in relation to publicly run detention centres. So the GSL contract runs out in December this year?

Senator Chris Evans—Yes, I think it is December this year. The decision about future contracts is still before government. No decision has been taken.

Senator NETTLE—Do you have any idea about the time frame?

Senator Chris Evans—No. These issues are under active consideration. There are three contracts in total. There are also health contracts. There are three contracts and the

government is in the process of making decisions about the future of those contracts. However, no decision has been taken.

Senator NETTLE—What is the status of Christmas Island? Has it been handed over from the department of finance?

Mr Correll—Yes, it was handed to the department by the department of finance in April.

Senator NETTLE—Is anyone in that facility?

Mr Correll—No.

Senator NETTLE—I think last time, Minister, we were talking about the expenses of running it and about the fact that you would need a certain number of people there to make it worth while to run it. Is there a figure about how many people you would need to make it worthwhile opening?

Senator Chris Evans—These are all questions of judgment. Obviously, it would depend on how many people you were looking to accommodate and what your other options were. It is not a strict figure. I have asked the department to do some work on options, depending on what sort of case load we are dealing with. Previously there were two long-term detainees on Christmas Island. Would you have opened the new 400-bed facility to accommodate those two detainees? I think the answer is no. Obviously there is a heavy maintenance program and staff involved with the centre. We will make a judgment about when we put clients in there, depending on the demands. I have sought to give us maximum flexibility at Christmas Island to deal with smaller numbers of arrivals and/or families.

One of the things that surprised me when taking on the job of minister for immigration was that there did not seem to have been any serious provision made for accommodating families and children on Christmas Island with the opening of the new centre. The new centre was to replace the old centre and, given the previous government's policy of putting children there only as a last resort, we had an issue about how families and children were to be accommodated if that policy were applied. We have a much stronger policy about not putting children into the IDCs. What we are trying to do now is build flexibility into the facilities on Christmas Island so that we can accommodate families and children appropriately, deal with small numbers perhaps without opening the IDC to clients and, if need be, open the IDC to meet client numbers—a bit of a mix-and-match capacity. We are working on plans to provide that mix of capabilities on the island and to ensure that children do not go into the IDC.

Senator NETTLE—I thought that the IDC at Christmas Island had a nursery part. I remember seeing it in a plan some time ago.

Senator Chris Evans—The officers can perhaps help you. I think in the original design in around 2001 there were such plans and following the Howard government's change in policy in 2005 those plans were modified.

Mr Correll—I will ask Mr Doherty to give details.

Mr Doherty—Senator, as the minister indicated, the design of the Christmas Island new IDC had its genesis in 2002 and 2003. The contracts for its construction were let in 2004 and construction was well underway when the previous government brought in its new policy in June 2005 that children would not be held in immigration detention centres. At that point the

new IDC had a comprehensive range of services for small children. As you pointed out, there were nurseries, specially fitted-out toilets and change rooms. Basically, we then went through and made some very minor changes to convert those areas to more general service areas.

Mr Correll—At any rate, those areas are behind overall secure wire arrangements and not suitable for families with children. Clearly, as the facility on Christmas Island stands at the moment, it is not suitable for children and families under current government policy.

Senator NETTLE—Are the duplexes on Christmas Island the current place for families?

Mr Correll—Yes.

Senator Chris Evans—But very small numbers; that is the problem.

Mr Correll—The limitation is the available number of duplexes there. The duplexes themselves offer very good family accommodation, but the quantity of that accommodation is limited.

Senator NETTLE—At the last estimates committee hearings you said that you were asking for a cost-benefit analysis on how many people you would want to accommodate before you opened the facility. Do you have that analysis?

Senator Chris Evans—We have done some work on it. Mr Correll might be able to help with some of the detail. I do not want to be definitive about it because, in effect, it depends on what other options you have and how many you are dealing with at one time. For instance, if you said that you would rather not open it until you had exhausted your other options, given the costs et cetera, your decision would be determined by the capacity in your other options. In part that is determined by whether single men arrive or whether families with kids arrive.

I am not trying to be difficult; it is just not a simple answer of a number. As I say, the key issue for me is to ensure that children do not go into the IDC. Therefore, we have to make sure that we have accommodation for them. If a small number of males arrived, we would probably use alternative accommodation to the IDC. But if that was being occupied by families et cetera, from an earlier arrival, we would use the IDC. I do not know whether Mr Correll can do a better job of explaining it than I have.

Mr Correll—I could not possibly do a better job.

Senator Chris Evans—You'll go places!

Mr Metcalfe—He has been places.

Senator NETTLE—What is the cost of it empty at the moment?

Mr Metcalfe—Are you trying to get ongoing maintenance costs?

Senator NETTLE—Yes, but I would also like an overall figure now that it is completed.

Mr Metcalfe—The overall figure should come from the Department of Finance because they are the constructing authority. We have certainly used the figure of around \$400 million.

Senator Chris Evans—I do not think you would get much change from \$400 million.

Mr Metcalfe—We will take on notice your question on ongoing maintenance and availability. We might be able to answer it shortly but, if not, we will come back on notice.

Senator NETTLE—Okay. How many members of staff are currently associated with that maintenance?

Mr Correll—We have that data. The annual maintenance cost for Christmas Island, now that it has been handed over to us, is a total figure of \$32 million per annum.

Mr Doherty—Could I just clarify, Mr Correll. The total running costs for the new IDC would be \$32 million for about up to 30 people in detention. That would be composed of detention service costs for GSL and medical services of about \$5.9 million.

Mr Metcalfe—Sorry to interrupt, but I do not think we are answering the question that Senator Nettle asked. I think we should stick to—

CHAIR—Is that \$32 million a year?

Mr Doherty—Yes.

Mr Metcalfe—I think we should stick to the question that was asked.

Senator Chris Evans—That is based on having some people in the facility.

Mr Metcalfe—That is right.

Senator Chris Evans—I think Senator Nettle's key question is: what does it cost to maintain if nobody is in it?

Senator NETTLE—Yes.

Senator Chris Evans—We will take that question on notice and get an answer.

CHAIR—Is that figure of \$32 million based on the facility being full?

Mr Correll—Yes. It is based on a certain assumption of occupancy, which is not valid to Senator Nettle's question.

CHAIR—I am asking a different question now. How many people is that \$32 million based on?

Mr Doherty—That is based on between nought and 30 people.

Mr Correll—That is based on between nought and 30—so up to 30 people.

CHAIR—So, if we put 30 people in the detention centre at Christmas Island and left them there for a year, it would cost this government \$32 million?

Mr Correll—That includes a figure of around \$18 million in depreciation as part of that operating expense for a year. That is the sort of operating expense we are talking about.

CHAIR—What a legacy to inherit!

Senator ELLISON—It is better to have something, Senator Crossin, rather than nothing at all.

CHAIR—We have got plenty on the mainland.

Mr Metcalfe—I should just caution you, Chair, that the ways of presenting this material can be potentially misleading. A big component of that figure that came out was depreciation, which is applicable anyway. That is an accounting treatment for an asset. That is something that the accountants are interested in. Is it a real cost or not? You can have a discussion about

that. But Senator Nettle asked: what does it cost to keep the centre in, essentially, a mothballed state? We will provide an answer on notice.

Senator NETTLE—And that is its status at the moment?

Mr Metcalfe—Yes.

Senator Chris Evans—I do not think ‘mothballed’ is the right term. Mothballed implies something different. It is an asset that is available for use at short notice, but currently it does not have any clients in it. It is not my intention to use it for a very small number of clients, because the economics of that do not make sense. We are seeking to have alternative options on the island, particularly focused on the fact that I do not want any children in the IDC. It is Rudd Labor government policy that children will not go into the IDC; therefore, we have to have alternatives. So we are looking for a mix. While we have the duplexes available, clearly any reasonably sized arrival would put that under enormous pressure. So we are looking to have a suite of options. The option of using the new IDC is there but, as I say, we will make a decision on utilising it and bringing it on stream, depending on the numbers we are dealing with.

Senator NETTLE—How many staff are needed for maintenance?

Mr Metcalfe—We will take that on notice as well.

Senator NETTLE—Okay. I think I asked last time about whether detainees on Christmas Island would automatically have access to an IAAAS lawyer?

Mr Casey—I think there was a question on notice. I can give you the reference to that.

Mr Metcalfe—I think Ms Keski-Nummi is best placed to answer any questions in this area, because it goes back to 1.2.

Ms Keski-Nummi—People who arrive on Christmas Island in unauthorised boat arrivals do not have access to IAAAS lawyers.

Senator NETTLE—I thought, last time I asked that, it was being considered.

Senator Chris Evans—I might have indicated that I was looking at some changes that would allow a review of the departmental decision and some access to advocacy for those people who had not been found to be owed protection in the initial assessment by the department, still retaining the offshore unauthorised arrivals regime in relation to the Australian legal system but providing a better mechanism. We have done a lot of work on that. That is a decision for government that is before me at the moment.

Senator NETTLE—At the last estimates committee hearings we were talking about who would do the processing—whether it would be departmental officials or somebody else.

Senator Chris Evans—It is the same answer, Senator Nettle. The initial processing will be done by the department. The question is whether there is a review process. At the moment the current system works. There are others who are more expert than me on this issue. The review is done by the department at a higher level. The argument has been whether we ought to have an independent second process rather than the department reviewing a departmental decision—that is the debate—and whether or not some advocacy or advice ought to be provided for people before they go through the second stage.

Senator NETTLE—Do you mean like the International Organisation for Migration or something?

Senator Chris Evans—No, not necessarily. There are a range of options. The argument put by advocate groups, et cetera, is that it would be preferable to have the decision of the department reviewed by somebody other than the department—somebody such as an independent judge. Legally, it cannot be the Refugee Review Tribunal, but it should be done by somebody who is seen as being independent of the department. That is one argument that has been put to us. The other argument that has been put to us is that they ought to have access to some legal or advocacy service to ensure that their case is put as fully as possible. I am indicating to you that I am considering those requests and those issues and a decision is pending from government about whether we change the existing arrangements.

Senator NETTLE—Is there any timeframe on that?

Senator Chris Evans—It is likely to be determined in the next couple of months.

Ms Keski-Nummi—Could I clarify my response relating to access to the IAAAS?

Senator NETTLE—Yes.

Ms Keski-Nummi—That is for offshore entry persons, but unauthorised boat arrivals who reach the mainland and are transferred to Christmas Island do have access to IAAAS.

Senator NETTLE—Are there any proposals for an alternative use of that facility when it is not being used as an immigration detention facility?

Senator Chris Evans—There is the prospect of a senators' retreat, which I am considering, but it would be only for named senators. I should not be flippant, Senator Nettle. It is a detention facility that is available for use by the Australian government to deal with unauthorised arrivals. It will be maintained as a facility for that purpose.

Senator NETTLE—So there have been no discussions with other departments about any other use for it?

Senator Chris Evans—We need it available for use. One of the other sides of this equation is that the closure of Baxter and other centres means that the capability of detention centres is much reduced. Christmas Island is the new, big capability and there is no intention to lose that capability.

Senator NETTLE—The other thing I want to ask about is IOM Indonesia.

Mr Metcalfe—We have probably moved past that. That was probably back in Output 1.2, but the officer is available here, Senator, so we could respond to that.

Senator NETTLE—At the last estimates committee hearing you were talking about two Indonesian immigration detention facilities that Australia was funding IOM to run and refurbish.

Mr Metcalfe—I answered a question asked earlier by Senator Ellison. You might not have been in the room. There was some funding in last year's budget for that and that funding has been provided to IOM.

Senator NETTLE—Is there any update on what stage those facilities have reached and how many detainees are in them?

Mr Hughes—Having caught up with the detail of it, an amount of \$7.7 million was provided to IOM, as detailed in the budget papers, to refurbish some existing centres in Indonesia and to provide training for Indonesian officials. The refurbishment, design and tender processes are complete and I think the refurbishment is scheduled to commence in the near future.

Senator NETTLE—Do you know how many people are currently in the detention facility?

Mr Hughes—I do not know, because we are interested in the refurbishment process, rather than—

Senator NETTLE—Does it relate to only two facilities?

Mr Hughes—I believe that it relates to two facilities.

Senator NETTLE—Do you know whether people are processed there by UNHCR?

Mr Hughes—I do not have that information. One of the facilities is in Tanjung Pinang. The refurbishment also involves some expansion. There will also be minor refurbishment of a facility in Jakarta.

Senator NETTLE—Over what time period is that \$7.7 million?

Mr Hughes—It was paid as an amount to IOM to then deliver the project, so it is over one year. It is a one-off payment.

Senator NETTLE—Are there any other forward estimates for that?

Mr Hughes—No.

Senator NETTLE—I also want to know about people in the facility. Are they processed by UNHCR and from what countries do those people mainly come?

Mr Hughes—We would have to take that question on notice, Senator.

Senator NETTLE—Is the Australian government funding any other projects in Indonesia?

Mr Hughes—We are funding work with the UNHCR, we are funding UNHCR staff, and we also have ongoing funding for the IOM to assist with the care and management of people moving irregularly through Indonesia.

Senator NETTLE—Could you give me some more details about that?

Mr Hughes—The latter project with the IOM has been going on for quite some years, which we have discussed at previous estimates, where people who are moving irregularly through Indonesia who are coming to Australia are cared for by the IOM.

Senator NETTLE—Is this Lombok?

Mr Hughes—It is not Lombok. It is people seeking to come to Australia regularly through Indonesia who are cared for by IOM whilst any protection claims are assessed by UNHCR. We have discussed that at many estimates and it is an ongoing program. In addition, I think, in the last budget we provided money to UNHCR for it to upgrade its presence in Indonesia.

Senator NETTLE—Can you tell me how much funding?

Mr Hughes—Because it was in the last budget we do not have those figures with us. I do not believe that there are any new projects in this budget.

Senator NETTLE—Is there anything still in Lombok? Is the IOM in Lombok?

Mr Hughes—I would have to take that question on notice.

CHAIR—Have we finished output 1.5?

Senator NETTLE—Yes.

CHAIR—Senator Ellison and Senator Barnett, have you finished with output 1.5?

Senator ELLISON—No, I have a few more questions to go but, as it is 11 o'clock, I suggest that we leave it there until tomorrow.

CHAIR—The committee will reconvene tomorrow at 9 o'clock with the continuation of output 1.5.

Committee adjourned at 10.59 pm