



# **Sustainable Australia submission**

**Assistant Minister for Immigration and Border Protection  
the Hon Alex Hawke MP's discussion paper:**

## **Introducing a temporary visa for parents**

**31 October 2016**



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Hon Alex Hawke MP  
Assistant Minister for Immigration and Border Protection  
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Dear Sir/Madam

**Re: Submission - Introducing a temporary visa for parents**

Thank you for the opportunity to make a submission to respond to Assistant Minister for Immigration and Border Protection (the Department) the Hon Alex Hawke MP's September 2016 discussion paper "*Introducing a temporary visa for parents*".

**Background to submission:**

Sustainable Australia (previously Sustainable Population Party) was registered as a federal political party by the Australian Electoral Commission on 23 September 2010.

Sustainable Australia made submissions to the Productivity Commission in its recent enquiry into immigration. We argued that the Australian government should stabilise Australia's population within a generation, predominantly by returning our annual permanent immigration intake from the current level of around 200,000 per annum back to the long term twentieth century average of 70,000.

Our two submissions can be found at the Productivity Commission website.



## Summary

- The Productivity Commission reports that each annual intake of permanent parent visa holders costs the Australian taxpayer between \$335,000 and \$410,000 per adult, being up to \$3.2 billion
- This is clearly an unacceptable imposition on Australian taxpayers
- Political parties should prioritise the national interest rather than short term political benefits when determining policy
- The evidence is clear. Population growth and prosperity are not linked
- Federal, state and local governments are failing to maintain infrastructure and service in light of rapid population growth, and this is impacting on current citizens' living standards
- Parent migration is anachronistic: the world has changed
- In normal circumstances, it is very hard to see any rationale for a parent visit outside of the standard Visitor visa parameters
- Sustainable Australia supports the closure of current permanent parent migration visas to new applicants
- The proposed new temporary visa allowing a stay of up to five years, with no proposal to limit its renewal, amounts to de facto permanent residence in Australia
- The proposed temporary parent visa enables the person to claim strong attachments to the sponsoring family or living situation such that the ending of the period of de facto residency will come to be seen as unduly harsh
- Medical conditions precluding return travel to the home country are easily foreseen at which point the insistence on private coverage of health costs will likely crumble
- Sustainable Australia opposes the implementation of a separate so-called 'temporary' parent migration visa
- A standard Visitor visa used by many migrant parents allows stays for up to three, six or 12 months
- Visitor visas are sufficient for nearly all parents, providing ample time to visit and spend time with family
- Existing Carer and Aged Dependent categories adequately cover those few parents who may have a legitimate call on Australia for migration privileges
- The quasi permanent parent visa would effectively make what the Productivity Commission sees as a bad and costly situation worse, placing more strain on the federal budget for many decades to come, for short term political purposes
- Australia needs to slow population growth, and parent migration is a good place to start



## Introduction

As outlined by the Productivity Commission, the cumulated lifetime fiscal costs (in net present value terms) of a Parent visa holder in 2015–16 is estimated to be between \$335,000 and \$410,000 per adult, which ultimately must be met by the Australian community. On this basis, the net liability to the Australian community of providing assistance to these 8700 parents over their lifetime ranges between \$2.6 and \$3.2 billion in present value terms.

This is clearly an unacceptable imposition on Australian taxpayers.

Political parties should prioritise the national interest rather than short term political benefits, such as favour with some community groups, when determining policy.

## The proposal to introduce a long stay temporary visa for parents

It is necessary to first consider the merits of parent migration and overall population growth in Australia, which should not have a net cost on the broader Australian community.

- **Population growth**

The evidence is clear. Population growth and prosperity are not linked.<sup>1</sup> All persons physically present in Australia add to aggregate economic activity by their mere consumption of food and other goods and services, but the per capita impact is minimal. In particular, parents of migrants to Australia appear to provide a very poor use/contribution trade off to the Australian public. This is particularly borne out by the findings of the Productivity Commission as to the extraordinary costs the Australian public incurs for parent migration.

All persons in Australia, whether they are citizens, residents or visitors, use taxpayer funded resources such as roads, public transport systems, emergency services and consume inherently limited resources such as food, water, and medical resources. Federal, state and local governments are failing to maintain infrastructure and service in light of rapid population growth, and this is impacting on current citizens living standards. This was recognised by the Prime Minister's Department in 2010.<sup>2</sup> There has been no sign of improvement since. On the contrary, living standards appear to be continually deteriorating.<sup>3</sup>

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<sup>1</sup> <http://www.macrobusiness.com.au/2016/10/evidence-clear-population-growth-prosperity-arent-linked/>

<sup>2</sup> <http://www.theage.com.au/national/cities-getting-less-liveable-20101219-1922a.html>

<sup>3</sup> <http://www.abc.net.au/news/2016-10-14/population-growth-masking-weak-economy-cba/7931928>



- **Parent migration to Australia**

Parent migration is anachronistic: the world has changed. The days when migrants made the long journey to Australia, with that being the only international journey they would undertake in their lives, is in the distant past. The cost of international travel (both ways) has plummeted so many people now make several overseas trips every year. Undreamed of technologies like video Skype and Facetime allow free video communication with people all over the planet. Mobile phones provide instant often free voice communication at any time of the day or night. Social media provide others ways for people to keep in contact with friends and family, no matter where they are located.

There will be arguments made that parent migration allows the migrating parents to mind their young grandchildren so freeing up the migrant's adult children to engage in paid employment. From a national perspective this is an extremely costly way to provide childcare. There are other mechanisms for having children minded in Australia, for example paid child care centres which generate economic activity that flows through the economy by the multiplier effect.

When people choose to migrate to Australia under a skilled category or as spouses under family migration they make that decision in the full knowledge that there is no guarantee that members of their extended family will in future be able to live in Australia. No undertaking is provided by Australian government authorities that extended family members will have access to migration to Australia.

In normal circumstances, it is very hard to see any rationale for a parent visit outside of the standard Visitor visa parameters. This provides ample time for parents, adult children and grandchildren to spend re-acquainting themselves with each other.

Sustainable Australia disputes the argument that migration of younger people in general has any significant long-term impact on ageing; after all, migrants themselves age. We also argue that ageing is the mark of a successful society and its negative consequences are greatly overstated. Nonetheless, parent migration will only add to the proportion of older persons in the country, and one has to wonder why any country would deliberately seek to attract a group of older persons with no necessary skills or attributes of benefit to that country, especially when a large proportion of those persons lack the language and familiarity with the local culture to engage meaningfully with or benefit from the society.



- **Parent migration visas**

In view of the huge costs imposed on Australia by parent migration, and our previously stated need to significantly slow population growth in Australia, Sustainable Australia supports the closure of the current permanent parent migration visas to new applicants.

Furthermore, it is Sustainable Australia's view that the proposed new temporary visa allowing a stay of up to five years per visa, with no proposal to limit its renewal, amounts to de facto permanent residence in Australia. In short, it amounts to permanent migration - for many more people than the current permanent visa - with perhaps the faint possibility of a mandated departure from Australia and the lack of some entitlements such as Medicare.

This increase in parent migrant numbers would effectively make what the Productivity Commission sees as a bad situation worse, placing more strain on the federal budget for many decades to come, for short term political purposes, such as favour with some community groups.

The visa would enable the person to claim strong attachments to the sponsoring family or living situation such that the ending of the period of de facto residency will come to be seen as unduly harsh. Medical conditions precluding return travel to the home country are easily foreseen at which point the insistence on the maintenance of private health insurance may well crumble.

It is easy to see onshore offices of the Department and the Minister's office swamped with submissions to make exceptions for parents who are supposedly incapable of returning to the former country of residence without causing great distress to themselves and/or the family in Australia. Such calls can be expected to draw support from influential members of the community.

Sustainable Australia therefore also opposes the implementation of a separate 'temporary' parent migration visa.

Parents currently have the very good option of using a standard Visitor visa to spend time with their children and grandchildren in Australia. Many already use this. A standard visitor visa allows stays for up to three, six or 12 months.

Sustainable Australia believes that these Visitor visa provisions for parents to visit their children in Australia are appropriate and almost always sufficient.

Sustainable Australia believes the existing Carer and Aged Dependent Relative visa categories adequately cover those few parents who may have a legitimate call on Australia for special migration privileges.



## Conclusion

In view of the huge costs imposed on Australia by parent migration, and our previously stated urgent need to significantly slow population growth in Australia, Sustainable Australia is calling for the closure of the current permanent parent migration classes to new applicants.

Current applicants could continue to have their applications processed, but parent permanent migration in a world characterised by cheap international travel and free international video and voice communication is anachronistic.

No new temporary or semi-permanent parent visa should be created. It would effectively represent a rejection of the Productivity Commissions findings and the exposure of Australian taxpayers to greater numbers of parent migrants and greater costs.

Parents currently have the option of using a Visitor visa to spend time with their children and grandchildren. A standard Visitor visa allows for a stay of up to three, six or 12 months.

Sustainable Australia believes that these provisions for parents to visit their children in Australia are appropriate and sufficient in nearly all cases. Australia needs to slow population growth, and parent migration is a good place to start.

Further comments have been made in response to the Department's questionnaire, in Appendix A.

Yours sincerely

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<sup>4</sup> John held senior positions including Director during his 25 years working with the Department of Immigration



## **APPENDIX A - Questionnaire**

Answers to questions posed in the discussion paper are contained below.

All answers provided to these questions should be understood in the context that Sustainable Australia regards permanent or temporary parent visa categories as inappropriate and anachronistic (as outlined above). We therefore regard the below answers as hypothetical.

In the case that the government fails to adopt our abovementioned recommendations, and presses ahead with implementation of the suggested temporary parent visa for short term political gain, the following answers apply.

### ***Q1. Should age limits apply to applications for this visa? If so, how would these be determined?***

As this is not designed to be a working visa, parents should be beyond Australia's retirement/pension age, and given life expectancy is now around the mid eighties, no five year visa should be granted from the age of 80.

### ***Q2. A key consideration is what, if any, work rights should be included with this visa. In what situations would temporary parent visa holders need to work?***

The purpose of the visa is to provide for a family visit. This is incompatible with work rights so no work rights should be available.

### ***Q3. How long should any waiting period be before a parent can reapply for a subsequent visa?***

The proposed temporary visa for parents runs the great risk to the community of turning into a de facto residence visa. To minimise this risk there should be a waiting period of at least 12 months (outside of Australia) before a subsequent parent visa can be sought.

### ***Q4. What limits should be applied to the number of temporary parent visas available each year? Should there also be a limit on the total number of temporary parent visas at any point in time?***

The proposed temporary parent visas should be limited to the current number of permanent visas (around 8000).

Standard Visitor visas numbers can be more generous in numbers.

### ***Q5. What factors need to be considered as to whether there should be a limit to the total time a person can stay in Australia on successive parent visas?***



Factors raised by the Productivity Commission including infrastructure, services and (often neglected) environmental costs.

**Q6. This visa will not provide a pathway to permanent residence. Given the estimated lifetime cost to the budget identified in the Migrant Intake to Australia report, are there any circumstances where permanent residence should be available to parents?**

Other than through the current Carer and Aged Dependent Relative visa categories, in the interests of fairness to all taxpayers and other migrants, no.

**Q7. What, if any, level of English language proficiency should the parent be required to have reached as a prerequisite for this visa? Alternatively, should a minimum level of English language be a requirement in order to apply for a subsequent parent visa?**

Competence in English should be prioritised wherever possible as it leads to greater opportunities for migrants and lower costs for taxpayers.<sup>5</sup>

**Q8. Are there any specific groups of parents (for example parents who have young grandchildren living in Australia) who should be afforded priority access to this visa?**

No, to allow priority for specific groups adds unnecessarily to processing complexity.

**Q9. New applicants for this visa will always have to pass a comprehensive health assessment. Note elderly parents in particular generally become more fragile and less healthy as they age. To what extent should a person's health status be a consideration if they apply for subsequent parent visas?**

It should be a significant factor. As a general principle, particularly with this older group of applicants, rigorous health checking is required to ensure to the extent possible that the taxpayer does not bear high health costs (which may occur if the parent is unable to return to the home country or there is some failure of the mandated health insurance) and to ensure there is less likelihood of attempts to claim the inability to return home due to a health condition.

**Q10. Australian citizen sponsors will be given higher priority under the new arrangements, as generally they have been contributing to Australia for a greater period of time. Under what circumstances should non-citizen Australian sponsors be given priority?**

The Australian government should not create levers to encourage people to apply for citizenship when they may not be otherwise ready to embrace allegiance to Australia. For this reason we prefer there be no distinction between permanent residents and citizens in the ability to sponsor.

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<sup>5</sup> <http://www.theage.com.au/victoria/migrants-find-learning-english-is-key-to-building-a-new-life-20160127-gmf5hy.html>



***Q11. If a financial bond is imposed on the sponsor to offset potential future health costs incurred by the visa holder, what form should this take—that is an upfront one-off payment, a contingent loan arrangement, payment in instalments) such as through a second VAC) or payment into a government investment?***

The principle concern in answering the question as to the best form of financial bond is to provide the maximum protection to the Australian taxpayer. There should be a significant bond payable in part up front and at the commencement of each subsequent year. This would serve to both cover costs and remind all involved that the visa is temporary.

***Q12. What (if any) limits should be placed on the total liability of sponsors where their parent incurs significant health or aged care costs not be covered by their private health insurance?***

This question and the subsequent question neatly illustrate the large risk to Australia of the proposed temporary visa for parents. It is in practice not possible to prevent large draws on Australia's health and aged care resources by successful five year visa applicants. The bond system should be designed to cover all costs wherever possible.

***Q13. In the event that the holder of a parent visa is unable to depart Australia due to illness or accident what responsibility should be borne by the sponsor and their immediate family and to what (if any) extent would it be reasonable for these costs to be borne by the Australian community?***

See Q12.

***Q14. If a sponsor dies, in what circumstances, and what timeframe, should their parent be required to leave Australia. What liability should remain with their immediate family and in what circumstances should their immediate family be able to take over the sponsorship to enable the parent to remain in Australia?***

If a sponsor dies, a period of up to 12 months should be allowed to leave Australia. If the immediate family are able and willing to take on the obligations of the sponsorship then the conditions of the visa such as length of stay could remain unchanged.

***Q15. Should there be an option for parents of minor children to be sponsored on the child's behalf? Who should be allowed to take on this role and what liability for sponsorship obligations should apply to them?***

This could presumably apply in the case of unaccompanied minor refugees but arise only extremely rarely. Another scenario where this might arise could be minor children in Australia with one parent seeking to sponsor another parent, where both parents of the child are estranged one from the other. The overriding principle here should be 'the best interests of the child'. In other words it would be necessary to establish that it was in the best interests of the child to permit sponsorship to be undertaken. A willing and qualified citizen or permanent resident could alternatively be the sponsor.



***Q16. In what circumstances should it be an option or requirement for couples to lodge a joint-sponsorship of a parent?***

Parent migration and long-term visits are sometimes opposed by the partner of a sponsor. To avoid complications, it is desirable that partnered sponsors be required to enter into joint sponsorships with their partner.

***Q17. What factors need to be considered in setting the level of the VAC for the new visa to adequately reflect the extended stay available?***

As outlined by the Productivity Commission, the cumulated lifetime fiscal costs (in net present value terms) of a Parent visa holder in 2015–16 is estimated to be between \$335,000 and \$410,000 per adult, which ultimately must be met by the Australian community.

Fees should ideally be implemented so that the taxpayer should not subsidise parent visas, particularly in terms of healthcare, infrastructure and other government services.

Sustainable Australia suggests that if the proposed visa is legislated, then it should be subject to stringent eligibility criteria. The cost to Australia of these visas is so high as to preclude realistic recovery of the costs through a very high initial visa application charge. However, in addition to a politically realistic and yet high visa application charge, it would be desirable to also have a significant annual fee levied at the commencement of each subsequent year in Australia. This would also serve as an ongoing reminder that the visa is temporary.

***Q18. In what circumstances should refunds be available for applicants who want to withdraw an existing permanent visa application and apply for the new temporary parent visa?***

Refunds should be available in those circumstances. The minimisation of permanent parent migration is in Australia's interest.

***Q19. What might constitute a suitable level of annual income available to the applicant for their period of time in Australia, noting they will not have access to government support services? Should the source of this income be the sole responsibility of the parent, or should their Australian child be allowed to contribute to this?***

The applicant should be able to provide evidence of the ability to support themselves in Australia for the period of stay. A useful benchmark might be the Australian Aged Pension. The sponsor should be allowed to contribute to this.