

Simple, Equitable and Beyond Abuse

Submission #2

Migrant Intake into Australia

Second submission, being in response to the Draft Report, to the Productivity Commission inquiry investigating the use of charges instead of qualitative criteria, to determine Australia's migrant intake.

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Executive Summary

This submission, in complement to my original submission of June 2015, titled *Simple, Equitable and Beyond Abuse*, serves to do the following:

- ❖ Give a very brief outline of the original submission.
- ❖ List the specific virtues of an auction-managed price-based system, including its:
 - Democratic aspect, which unlike our current system, is able to address one of the Inquiry's terms of reference.
 - Ability to address the perceived subjectivity, bias, abuse of process and corruption in the current system.
- ❖ Address a number of the issues raised in the Productivity Commissions' Draft Report such as:
 - Describing the logistics and virtues of an on-line visa-auction system.
 - Challenging the premise that the popularity/unpopularity of the system is a valid concern for this inquiry.
- ❖ Give reasons why a trial period for a price-based system should be suggested to Parliament.

Introduction

Premises

- A discussion on an auction derived priced-based visa system would very often need to refer to an actual fiscal amount. Thus, strictly for the sake of the argument, the amount of \$50,000¹ has been chosen even though in practice it may well be above or below that figure.
- With regards to the limitation of government benefits imposed on new migrants, it is suggested that while access to existing medical benefits is not changed, access to unemployment or housing benefits should be denied for a period of not less than ten years.
- The nature of the auction system in general as well as with respect to the humanitarian intake system, as described below, could not function beside the UNHCR convention relating to the Status of Refugees where declared refugees could demand to gain residence at no charge. Thus a prerequisite to this immigration proposal is that Australia withdraw from the convention. It should be noted that this prerequisite does **not** violate the terms of reference.

Précis of 'Simple, Equitable and Beyond Abuse'

An immigration auction selection system where Parliament sets the migrant quota every quarter and all applicants have to do is successfully bid for a place and pay the price, then pass Health, Character and Security (HCS) checks to be granted a visa.

- ❖ Simple
 - No professional qualifications, job history, job offers, references, marriage certificates, proof of filial relationships would be needed.
 - No retention of migration agents.
 - No investment of 18 months of one's life going through various administrative and judicial levels after which success is still not guaranteed.
- ❖ Equitable

¹ Black market price quoted in article. See Appendix: Visa Rorts: 'Call for migration rort crackdown'

- Subject to HCS checks, [and possibly age and discounts for children of applicants], all applicants would be treated equally.
- ❖ Beyond abuse
 - Bribery, forgery, soliciting mendacity or offering false affection would no longer be pathways to gaining permanent residence.

Advantages of a price-based immigration system

List of Virtues of price-based selection

Democratic

1) Humanitarian intake the people's choice

- a) As mentioned below, the right of interested Australian citizens themselves to choose both the demographic and quantity of humanitarian / refugee immigrants rather than bureaucrats and politicians.

Minimal Abuse of Process

"We weren't the first government to deal with immigration fraud and we won't be the last." former Immigration Minister Chris Bowen²

2) Deterrence against improper applicant behaviour

- a) Introduce a deterrent against fraud, deceit and criminal behaviour;
 - i) Probably 95% of intending applicants would know, upon investigation, if they were sufficiently healthy to pass immigration requirements, if they had a criminal record, or if they were a terrorist. Thus asking them to supply the tariff after winning an auction bid, but before HC&S checks, would not be an unnecessary encumbrance as it would only mean paying the tariff a few months earlier than expected.
 - ii) Therefore Australian authorities would be able to hold a deterrent over applicants (in the threat of loss or partial loss of tariff) from false documentation in application or criminal behavior after the granting of a visa.



3) Reduce apparent corruption;

- a) As detailed by both the Sydney Morning Herald and ABC radio in September 2003, a then current Senate inquiry heard testimony by migration solicitors that amounts up to \$50,000 were paid, with no questions asked, to procure visas.
- b) The prerogative of the Minister for Immigration to intervene and grant a visa, where there are “unique or exceptional circumstances”, to an applicant who has failed through all other channels, has been known to have been exercised up to **300 times** a year.
- c) See also Appendix: *Immigration Visa Rorts*

² ‘Head of Immigration defends department against visa fraud allegations’ ABC News, August 7, 2014

User Friendly

- 4) **No absolute refusal;**
 - a) Subject to HC&S checks, no absolute, unequivocal refusal as exists now for those (neither unique nor exceptional cases) who can never garner the 60 points and who may possess extremely strong and legitimate motives to migrate to Australia.
- 5) **Overcoming time delays and rigidities in updating the Skilled Occupations List**
 - a) “a price-based system may have fewer rigidities and delays”³ Report p. 412
- 6) **Reduction in compliance costs to both government and migrants**
 - a) “There may be savings in relation to no longer having to prove the nature of a relationship (for family visas), not having to provide or assess evidence of education, skill level and training and not having to maintain waiting lists of applicants.”⁴ Draft Report p. 410
 - b) “In 2013-14, over 22 000 cases were lodged with the tribunals in addition to more than 19 000 cases carried over from the previous financial year... A price-based system would be expected to reduce the number of appeals, and the complexity of matters appearing before the Administrative Appeals Tribunal”
 - c) “... a price-based immigration system should substantially reduce the need for migration agents and as the remaining work for migration agents should be simpler, it should reduce the prevailing fees.” p. 411

More Beneficial for Australia

- 7) **Better character of applicants;**
 - a) For those who would fail the current 60 points criteria test, they would still have the option, subject to their personal ethics, of forging documentation or engaging in a sham marriage. It therefore follows that a by-product of our existing immigration system is that there are many circumstances where applicants, because of their honesty, fail, while others, because of their mendacity, succeed.
- 8) **Significant decrease in non-skilled immigrants;**
 - a) Spousal Visas
 - i) According to the Melbourne *Herald Sun* almost 50,000 people in 2014 received visas as spouses⁵. Without being too cynical it is reasonable to believe that only a minority of that number involved traditional boy meets girl or person meets person romances, while the majority involved either a marriage of convenience, or a young first-generation Australian using his / her annual holiday to return to the mother country to fulfil an arranged marriage obligation or otherwise find a spouse. [see Appendix: *Mixed Marriages*]
 - ii) Considering the visa fees for such immigrants would rise from approximately \$4,500 to \$50,000 (plus return flights to foreign lands), one might fairly assume a sharp drop in those marriages where obtaining a soul partner was not a prerequisite.
 - b) Family Reunion Visas

³ See ‘Overcome Rigidities and Delays’ below for clarification.

⁴ See ‘Compliance Costs’ below for clarification

⁵ Herald Sun July 29, 2015

- i) Under the current family reunion scheme, no one would deny there are cracks in the system where not all successful applicants are bone fide. While still offering a means of entry for genuine family reunions, under a price-based system no individual or family is going to pay for ambit claimants. [see Appendix: *Family Reunion*]
- c) While the decrease in foreign spouses and family reunions would not be, per se, an advantage, the tens of thousands of vacant spaces to be taken up by skilled or wealthy applicants, would be.

Democratic Aspect to the Humanitarian Intake

- ❖ Article 2 (f) of the Terms of Reference request examination of “opportunities for Australian citizens to be altruistic towards foreigners including refugees...”
 - It is interesting to note that the Treasurer referred to the opportunities for *citizens* rather than their government. The reason for this may be twofold:
 - A natural cynicism in democracies where the people are not always completely trusting of their politicians to put their self-interests aside.
 - The nature of a democratically elected executive government which can only be appointed by majority vote and thus in practice leaves approximately half the population unrepresented.
 - Thus one of the goals of the Productivity Commission inquiry is to search for opportunities where all Australian citizens can themselves, if they so wish, directly have an input into the humanitarian intake. The existing system has no means to accommodate this, nor any yet published submission which opposes the price-based system.
- ❖ **Specifics of citizens-choice intake**
 - Considering Australia is a democracy, the reason we have a humanitarian intake is because the Australian people, or at least the majority of them, wish it so.
 - Extrapolating Australian Electoral Commission data, there are currently about 15.2 million registered voters in Australia, i.e. cogent, law abiding adults. If a bare majority of them were sincerely concerned about our humanitarian intake, concerned enough to put their hands into their own pocket and donate the grand sum of fifty cents per day to their chosen charitable NGO, a seventh of the cost of our morning flat whites, the total would amount to almost 1.4 billion dollars. After taking away \$200 million for administration costs, having a fund of \$1.2 billion dollars could purchase, at \$50,000 each, visas for over 24,000 refugees / asylum seekers, even more than our current humanitarian intake of 18,750. 24,300 new immigrants chosen by the people rather than politicians and senior bureaucrats.
 - As reasonably priced as this is, it could still in fact be cheaper. As the money would go to general revenue those 7.5 million donors, being half of the country’s taxpayers, would still theoretically receive a rebate of almost half of what they put in, so it effectively would cost only about 29c per day.
 - The average Australian worker earns \$1128 per week. Divide that by seven and it is \$161.00, more than enough to contribute 29c to humanitarian immigration if it was so desired. Even for someone on unemployment benefits the cost would be less than 1% of their daily income.

...the problem is solved, and solved much more democratically, with concerned citizens deciding not only the numbers, but also the demographics of who should be offered ... Australian residency.

- If at least every second Australian truly cared about humanitarian immigration, then the problem is solved, and solved much more democratically, with those concerned citizens deciding not only the numbers, but also the demographics of who should be offered the great benefit of Australian residency.
- If less than that 7.5 million voters were willing to donate their 50c a day, then the humanitarian intake would still occur, but with lower numbers. In either situation it will be an intake that correctly reflects the desires of the Australian people.

Responses to aspects of the Draft Report

Feasibility of Auctions

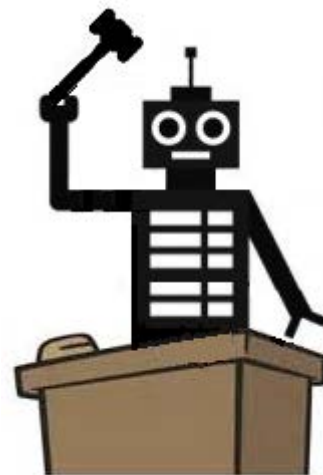
Electronic communication problems

“One submission suggested that auctions could be undertaken weekly (Lillingston, sub. 9). ...there would likely be more than a thousand lots for auction each week – which may be impractical.

“a live electronic auction may be susceptible to communication problems (especially as a large number of potential bidders will want to simultaneously access and interact with the same server).” p. 404 of Draft Report

The nature of the multi-winner, computer, on-line auction

- There may be a false assumption that the mechanism for an on-line, multi-winner, visa auction would be similar to the traditional physical world, one time/ one place / one winner auction. On-line multi-winner auctions are **not** situations where bidders congregate in one web based auction room, bid against each other for two minutes and the winner/s are those who managed the final highest bids just before the metaphoric hammer fell.
- The reality is far removed. As evidenced by the successful auction house eBay Inc., on-line auctions last for hours, if not days, and very often the winner made only one bid and that could have been at any time before the hammer fell. The nature of on-line bidding is that, once you are a registered client, your bidding is not always a regular \$10.00 above the previous bid but can be a single bid of the maximum you are prepared to pay. If successful you only pay an increment above the next highest bidder, not necessarily the full amount you had bid.
- The nature of multi-winner auctions would possess one variation. As mentioned in my earlier submission (Lillingston, 9, p.4), when there are a



number of visa places up for auction, i.e. y places, the Immigration Department computer would be perpetually keeping a note of the y th highest bid, that is, the lowest bid which would still win a place, and this financial amount would be highlighted on the web page for bidders everywhere to realise whether they were currently “winning” or “losing”. When bidding closes at the pre-set declared time, the y highest bidders would be declared winners and all asked to pay no more than the y th highest bid. In practice each weekly auction could be allocated (for example) four hours and bidders would only have to make a minimum of one bid, that being the highest they could and were prepared to pay for Australian residence.

- Although unlikely, but if congestion problems existed, there is no reason why auctions could not instead be held five times per week with then one fifth of the places per day.
- On-line technology today does seem to accommodate multiple users contacting the same server at the same time. For example TAB betting outlets throughout Australia all connect to a central server and betting generally concentrates within minutes of a race starting; millions of clients of any larger bank paying at any time during the day electronically with their debit cards, for purchases at supermarkets, department stores, restaurants, fuel service stations, etcetera.

Auctions versus set price

- ❖ “The two main advantages of establishing a set price for visas are that visas can be applied for at any time of the year (overcoming the rigidity associated with auctions and tenders) and price transparency helps participants know if they can afford a visa before participating in the sales process.” p. 405
 - Waiting until Monday is hardly a rigidity that would frustrate an applicant.
 - As what is being auctioned every Monday by the Department of Immigration is exactly the same thing, it is reasonable to believe the established market price will remain somewhat stable within every quarter.

Tender versus Auction

- ❖ “Tenders have another benefit over auctions. In an auction setting, the seller typically only obtains information about people who bid (or who win) at the auction. Under a tender process, information from all participants is obtained – which will provide substantial additional evidence on the level of demand for Australian visas.” p.405
 - As in a many existing auctions you must register beforehand. In auctioning for places it would be necessary to require a deposit of, say \$1,000, to show good faith and enforce applicants to honour their bid at risk of forfeiture of deposit. Thus at any auction the number of applicants would be known.

Whereas increased revenue may well be accrued with the tender process, there could be some problems:

1. Increased revenue would not be guaranteed. If rumours spread of lessening numbers of applicants due to reports of recent unhealthy Australian economic indicators, then **all** applicants might tender a lower price than the highest they were willing to pay, with a result that Australia would be compelled to grant a batch of places at below market price.

2. Increased administration costs in the collection of different amounts from different applicants.
3. The discomfort or resentment some applicants may feel in knowing they paid more than other applicants at the same tender.
4. The frustrations caused for applicants in the probability of engaging in a number of tender processes before finally acquiring a place.

Would a price based scheme provide fiscal benefits?

Compliance Costs

- ❖ “There may be savings in relation to no longer having to prove the nature of a relationship (for family visas), not having to provide or assess evidence of education, skill level and training and not having to maintain waiting lists of applicants. To some extent, however, these savings may be partially negated by the extensive range of data required to meet security and health checks.” p.410
 - This is incorrect. These savings will not be effected by HCS checks as said checks have to be undertaken anyway.

Some Demographics less of a fiscal benefit to Australia

- ❖ “While there is variation in the value of discounted income tax streams within each visa stream, the expected lifetime income tax contribution from skill stream migrants is substantially higher than from family migrants.” p. 417
 - It is extremely hard to believe family reunion immigration would increase under a pay system compared to the current system, but not that some current visas granted under family reunion, even if only a small percentage, were motivated strictly for economic rather than filial desires. See Appendix: *Family Reunion*
 - Therefore, the above quoted statement being true, there would be a fiscal benefit from a price-based system as the fewer family migrant places would be occupied by skilled / wealthy migrants.
- ❖ “...the highest discounted income streams are for migrants who arrive aged between 30 and 34 years. For both visa streams, the value of discounted income streams steadily declines for migrants who arrive at older ages.” p.417
 “those contemplating migrating to Australia as a retirement option may be willing to pay a substantial price for the visa (based on their past earnings) even if they would earn no income in Australia.” p. 418
 - The argument here appears to be that as under the current system we can discriminate on the criterion of age, a price-based system does not allow such and thus would be less financially beneficial for Australia.
 - If Australia is to discriminate on age as well as HCS concerns, it could still do so under a priced-base system while not giving an unequivocal denial to those who possessed a very high desire to immigrate.
 - As new migrants would already be discriminated against with regards to receiving government benefits for a set period of time after arrival, further restrictions could be imposed upon older migrants, proportional to their age, in other areas of government benefits such as the pension, superannuation or aged health care.

Why migrant incomes might be lower

- ❖ “It is entirely possible that a cleaner from a very low income country would have a larger increase in living standards (in money terms) compared to a doctor or lawyer from a high income country.” p. 417
 - True, but that is a very hypothetical, rather than real world, comparison. With the exception of being part of a humanitarian intake (which happens under either system) a cleaner from a low income country would not be able to outbid a doctor or lawyer from that same country, who would also expect a larger increase in living standards than from someone from a high income country.
- ❖ “The conceptual link between willingness to pay for a visa and the capacity to earn additional income in Australia is reduced (or non-existent) if people are migrating primarily for non-economic reasons. It is not just people who have high potential earnings who flee from countries where their lives are at risk.” p. 418
 - True, but unfortunately for people in such circumstances, willingness to pay does not equate to ability to pay.
 - Also aren’t these people the ‘any port in a storm’ types who will first attempt refuge in countries that don’t charge?
 - Also for any unskilled person it must be remembered that the relative high payment of \$50,000 is still not the final figure. If one is contemplating migrating to Australia they would be made aware of the lack of government income support for the first ten years.

Alleged Disadvantages

Motivated Migrants

- ❖ “Research has found some differences in the characteristics [of] people who choose to migrate and those who choose not to. The United Nations Development Program highlight that, ‘not only do migrants have higher income earning capacity than non-migrants but they often also appear to be healthier than natives of the destination country with equivalent educational qualifications’
The introduction of a substantial price for migration could be counterproductive. Migrants who are the most motivated and dedicated may not have the capacity nor the willingness to pay very high fees. As other migrant destination countries do not impose high fees (chapter 13), some well-organised and motivated migrants are more likely to choose a destination other than Australia.” p. 410
 - In addressing this argument there are four factors to be taken into account.
 - **Motivated and Dedicated**
 - Under the current system we get those who present themselves as ‘motivated and dedicated’ whether or not they in fact are, while at the same time miss some motivated and dedicated due to the imperfect science of character judgement, amongst other reasons.
 - The *Australian Financial Review* revealed in 2014 that a Department of Immigration report of 2010 stated that “evidence uncovered to date indicates that fraud within the general skilled migration program is extensive with estimates at around 90 per cent . . . [or] more than 40,000 suspect visa applications lodged per year for the last three years”⁶.

⁶ <http://www.afr.com/news/policy/immigration/leak-shows-widespread-visa-rorting-20140806-jke77>

- An applicant who is very adept at soliciting glowing references as well as showing himself in his best light in an immigration interview may be equally smart enough to realize the job he would probably get on arrival would not pay enough to justify his \$50,000 investment.

- **Size of Talent Pool**
 - As mentioned elsewhere in the report, there is unquestionably a surplus of willing migrants throughout the world. First world countries with pleasant climates offering places can afford to be choosy. To quote the Draft Report, “Reductions in travel costs and advances in information technology have also led to a substantial increase in the level of migration...”
 - It must be remembered that even amongst first world countries, Australia is a prime objective for many seeking ‘the promised land’. It is a liberal democracy using the world’s most pervasive language, with a first world standard of living, extremely agreeable climate, low crime and minimal civil unrest. Add to that the fact that the proposed tariff system eliminates for applicants a lot of ‘red tape’ as well as freeing them from any employment obligations on arrival. For those who lead busy lives and can afford it, it would be a short, simple and unencumbering process.
 - Thus the current situation is what may be called *a sellers’ market*.
- **Percentage who are skilled**
 - As described in the Appendix under *Mixed Marriages* and *Family Reunion*, the number of migrants coming in under the spousal or family reunion category would in all probability significantly decrease with a price-based system. Their places in the quota would then be mostly taken by skilled migrants with the result that the average income of migrants will increase merely because a greater percentage of them are skilled.
- **Reason for a price-based system**
 - In declaring “the introduction of a substantial price for migration could be counterproductive.” the unsaid premise is that the budgets and balance sheets of the government is the sole objective of system change. Even **if** Australian budgets were to suffer, there are still three aspects of the suggested system which are unquestionably superior to the current: its ability to significantly decrease corruption and the abuse of process; the deterrent effect to those who might act improperly after residence is granted; and its ability to “provide pathways both for Australian citizens to be altruistic towards foreigners including refugees”.

Overcome rigidities and delays?

- ❖ “Overall, while a price-based system may have fewer rigidities and delays, it is uncertain whether the outcomes of immigrants would be better or worse under a price-based system. The current system delivers beneficial outcomes, with primary migrants under the skill stream having good employment and earnings prospects and having lower unemployment than other migrants (chapter 5).” p. 413
- The above paragraph beginning “overall” is the summation of the chapter discussing, and titled, “...Rigidities and time delays” and claims the result to be equivocal, yet the chapter fails to mention any supposedly negative aspect with regards to minimizing rigidities and delays, let alone any alleged liability of a price-based system at all.

Discourage Irregular Arrivals

- ❖ “While a shift to a primarily price-based immigration system would increase the opportunities for people to obtain a visa who might otherwise be considering an irregular entry into Australia, there is a significant backlog of people deemed to be in need. As such, while a migration program based primarily on price may diminish the incentives for people to arrive in Australia irregularly, it would not solve the situation given the very large pent-up demand.” p. 413
 - The draft report declares that a price based system would be better than the current system for reducing irregular arrivals, but then ends up on a critical note because the problem of irregular arrivals won’t be completely solved.
 - Is not a half solution better than no solution?

Less desirable immigrants

Draft Finding 12.1

- ❖ “The adoption of a price-based immigration system is not supported by evidence. Such a system could:
 1. attract less desirable immigrants compared to the current system
 2. favour immigrants with an existing capacity to pay over those who would make the greatest economic contribution to Australia.” p.426
 - As item 2 declares a price based system would favour immigrants with less fiscal benefits for Australia, item 1 therefore implies that less desirable immigrants of a non-fiscal nature would also be attracted. No evidence is given for this claim.

Possible unintended consequences

- ❖ “...the system could make it easier for people with nefarious objectives to sponsor workers with the intention of exploiting them. While the proposal for a price-based immigration system includes character and security checks, those checks relate to the migrant rather than a migrant’s sponsor.” p. 420
 - It is difficult to see how sponsors could exploit immigrants. Under the system suggested, once an applicant has been granted residence (and had their passport checked by authorities and returned personally to them) residence can only be revoked by the government and not by the sponsor. The only power the sponsor would possess over the immigrant would be due to the terms of a contract they may have engaged in. To be enforced, such a contract would have to be valid under Australian law and thus free from exploitation, or at least no less free than any other contract made in Australia between Australians.

“Public Resistance to an immigration fee”

- ❖ “However, the reaction to the release of the issues paper highlights that public (and political) opposition may be a substantive barrier to the introduction of a price-based immigration system.” P.419

“Public confidence in Australia’s immigration system could also be undermined by such a system.” Key Points

 - The nature of a public inquiry is to research and study all aspects of a specific public policy issue. The final report is then tabled in Parliament and made

public so that all interested parties can see the result of the lengthy study. Politicians can then, on their own or through input from their constituents who can also be influenced by the report, decide how to vote on the issue.

- It is ridiculous to have in the report the position on the issue some members of the community possessed *before the report was undertaken*, unless the assumption is that those people are bigots who would not be changed by whatever the final report declares.
- Also the popularity of an issue cannot be judged by newspaper editorials or the energy of activists, but only by a plebiscite.
- Even then, the popularity per se, of any public policy is not relevant in deciding its merits. The remit of the Commission is to suggest to Parliament what it believes is the most rational and beneficial immigration system, and after that is done it is the role of the legislature to ensure Australians have the best system, no matter what entrenched political resistance there may be.
- Popularity is an issue for politicians, not for senior public researchers and evaluators.

Final Comments

To begin with an analogy.

If the Productivity Commission was asked to undertake a study on the feasibility of changing Australia's road system from left hand drive to right hand, there is one conclusion that would **not** be reached. The report would not say that considering the number of unknowns about changing the system it advise that Australia should engage in a five year trial period during which all traffic signs and road markings must be changed together with public information programs initiated to prepare for the changeover date. At the end of the five years a decision would then have to be made as to whether to remain as such or change back to driving on the left. In fact that is the type of decision that has to be correct the first time.

However with immigration it is different. It can be trialled, and there are unknowns:

- P. 16 “There is no precedent for such a system. There is... considerable uncertainty around [a priced base system's] potential consequences. ...for the reasons outlined below, the actual impacts of such a system are likely to remain highly uncertain.”
- P. 418 “As such, the magnitude and possibly the [size] of the revenue impact of adopting a migration fee is uncertain...”
- P. 424 “The projections indicate that the direction of change for all age groups is subject to considerable uncertainty, with potentially large variations in the proportion of migrants in the 18 to 44 and 45 to 64 year age ranges.
- P. 425 “The modelling for the draft report has not been able to fully explore the uncertainty, particularly relating to possible migrants who currently do not meet eligibility criteria for migrating to Australia.

Changing to what might be a temporary system for five years would require certain administrative adjustments as well as the setting up of a website, but otherwise would be almost effortless. For the sake of comparison, statistics could be kept on:

- The actual revenue stream from visa purchases
- The decrease from the current system in administration costs
- Income tax paid by new immigrants

- Crimes committed by new immigrants
- Cost of government social services for new immigrants
- Other indicators for positive or negative contributions to the community.

I would therefore suggest that the Productivity Commission suggest to Parliament that Australia engages in a five year trial period to gauge the effectiveness of an auction price-based, immigration system.

Appendix

Mixed Marriages

31.6 per cent of marriages in Australia in 2013 involved individuals from two different countries (ABS 2014). – PC Issues Paper

For the year 2013 the ABS recorded 118,959 marriages in Australia. According to the Issues Paper, 31.6 % of that figure, almost 38,000, involved Australians marrying non-Australians.

Now if an Australian meets and marries a foreigner, there is no reason why it should always be in Australia. As Australia is a first world country its citizens can afford to travel. Is it not reasonable to believe that another 38,000 Australians married overseas? In furthering their careers might not Australians want to live elsewhere such as in technologically advanced countries like the United States, the UK, Japan, Korea, Singapore, Hong Kong, China or traditional centres of cultural development such as Italy, France, Germany or (again) the UK, amongst others?

So if 119,000 marriages in Australia, less the approximately 38,000 of mixed nationality, meant that in 2013, 81,367 Australians married other Australians and the 38,000 local plus the 38,000 overseas meant that 76,000 Australians married foreigners, isn't that an extraordinary high percentage of Australians marrying foreigners? Almost one in two. What is it about our culture and upbringing that develops some type of self-loathing such that almost every second Australian looks elsewhere for a life partner?

Rather than accusing Australians of low self-esteem, the truth may in fact simple be that the high rate of foreign marriages are mostly not marriages of love, but marriages of convenience so as to gain Australian permanent residence.

Family Reunions

Bureaucratic Decision Making

The nature of people being displaced from their home country is that very often it is done in exigent circumstances where it is impracticable to gather birth or marriage certificates or other documents relating to identity. Thus when applications are made under the Family Reunion category there is often no certifiable proof of claim. To quote former Treasury head, John Stone, 'How is ASIO to "screen" effectively people from countries where either the regime itself may be hostile (such as Iran) or where a suitable bribe can secure the would-be immigrant favourable [documents].'

So for every honest applicant there may well be another who abuses the system by offering benefits, here or in their home country, to others in return for false documentation or testimony.

Assuming all Australian immigration and judicial officers are immune to bribery and free from any bias relating to the levels of immigration or the nationality of the applicant before them, there may still be problems in their decision making process. In declaring who are genuine family members, the officers, who themselves have nothing to lose by which way they decide, may be tempted in many situations to *play it safe* and always grant the benefit of the doubt even when there is no more than a hint that the applicant is telling the truth.

Questionable Filial Bonds

Even in situations where family connection was indisputable, there would still be situations where the humanitarian principle justifying family reunions was being abused. It is reasonable to believe that not all families, especially larger ones, remain close, tight knit, bonded units. Children or siblings often follow the beat of their own drum and either drift away or maintain contact at a frequency of no more than once per year. The fact that someone looking for a better country in which to reside may happen to find out that some members of his estranged family have moved to such a land, and at a price or favour in return, would be willing to enable his 'family reunion', certainly does not come within the intention underlying our humanitarian intake.

The problem is that under the current system there is no way to be sure who the genuine applicants are. Under a price based system no individual or family will be paying for someone not a close, loved family member whether blood or not.

UNHCR

UNHCR Refugee Convention a perquisite?

It would be reasonable to believe that the inclusion of section 2 (e) of the Terms of Reference would be to ensure that Australians' desire to have a humanitarian easy access for refugees would be placated.

Considering the UNHCR Refugee Convention isn't even mentioned, there is no reason to believe that the Treasurer specifically wanted there to be a 'no charge' allocation in our intake but rather that confirmed refugees could be granted residence, without themselves having to pay due to their exigent circumstances.

Impractical

To maintain a 'no payment at all' allocation would be impractical for two very good reasons:

- The decision of who is granted entry would be susceptible to subjective decision making at best, and bias and corruption at worse.
- The number of entries would depend on the random ability of asylum seekers to gain access to Australian shores and could at certain times be quite low, or even non-existent, while at other times escalate to such high figures (as currently exist in Europe) that well exceed the expectations of the Australian people. In comparison, an auction price-based system would give the exact number as

desired by the Australian people: at times higher and at other times possibly lower than what has previously occurred.

Immigration Visa Rorts

- ❖ ‘Immigration department insider organised \$500,000 visa scam’
 - *The Courier Mail* November 7 2015
 - “...the corrupt immigration officer, Filipino-born Alex Escala Allan, ...was sentenced in the District Court in Brisbane on Tuesday to eight months’ jail for secretly receiving \$563,290 in bribes between May 2013 and April last year.”
- ❖ ‘Couple accused of 457 visa scam’
 - *The West Australian* August 10 2014
 - “...investigating Maya Masala founders Bhupinder Singh Grewal and his wife Parveen Kaur Grewal over claims they have been selling access to 457 visas and jobs in their restaurants.”
- ❖ ‘Visa fraud suspects fled after wiring \$1m overseas’
 - *The Sydney Morning Herald* August 8 2014
 - “A corrupt Immigration Department official and her husband helped run a \$3 million criminal migration racket involving more than 1000 fraudulent visa applications... Reetika Ajjan and her husband, Jeetender, were able to flee Australia three days after immigration and federal agents raided their home in October 2011”
- ❖ ‘Marriage scams uncovered amid crackdown on partner visa fraud.’
 - *SBS News* Jan 29 2014
- ❖ ‘Woman promised \$30,000 to marry Indian man in alleged visa scam, Brisbane court told.’
 - *ABC News* May 12 2015
 - “The prosecution alleges migration agent Chetan Mohanlal Mashru and his partner and celebrant Divya Krishne Gowda were involved in a marriage racket. They are both accused of 17 counts of arranging fake marriages of Australian women with Indian men for visas and money around 2012. Mashru is also facing 28 other charges, including influencing a Commonwealth public official.”
- ❖ ‘Visas axed over untrue romance.’
 - *Melbourne Herald Sun* July 29 2015
 - “Data matching costs lying ‘lovers’ right to stay”
- ❖ ‘[Immigration Minister] Ruddock opens heart, Liberals fill wallet’
 - *Sydney Morning Herald*, June 5, 2003
 - “...Mr Ruddock granted citizenship [to Mr Dante Tan] despite the cancellation of his business visa by the Immigration Department for failing to comply with its conditions. Mr Tan's good luck occurred after he donated \$10,000 to the Liberal Party.”
- ❖ ‘Ministerial Discretion in Migration Matters’ Senate Inquiry
 - *ABC PM* September 22 2003, Peta Donald reporting
 - Senator Nick Sherry: “...and to your knowledge the range of payments [to migration agents] to secure a visa?”
 - Sydney Migration solicitor David Prince: “anything from \$2,000 to \$50,000.”

- Senator Nick Sherry: "...and the nature of the payments?"
- David Prince: "Almost always cash, Senator."
- ❖ 'Head of Immigration defends department against visa fraud allegations.'
 - *ABC News* August 7 2014 Karen Barlow reporting
 - "Fairfax newspapers have reported departmental documents show fraud relating to 90 per cent of skilled migration visas, stemming back to 2008. The leaked immigration files showed repeated warnings that visa fraud and migration crime was widespread due to the collapse of the department's investigation and enforcement capacity. Mr Bowles, the Secretary of the Immigration Department, says the ...Department is doing its utmost to combat fraud, but he says this is a 'challenging space' and people will always try to thwart the system and enter Australia on a fraudulent basis."
- ❖ 'Frauds granted refugee status as determination process breaks down'
 - *The Australian* June 15, 2013 Greg Sheridan reporting
 - "A former Immigration Department official says the refugee determination process is easily scammed. [He referred to] asylum-seekers 'enhancing and inventing' claims that satisfy one level or another of the multi-layered refugee status determination and appeals procedures."
 - "...a former member of the Refugee Review Tribunal, who worked on the independent merits review processes for asylum-seekers...said that asylum-seekers on Christmas Island told him they had simply copied their claims from other applicants who had been successful."
- ❖ 'Call for migration rort crackdown'
 - *The Sydney Morning Herald* August 7, 2014 Nick McKenzie reporting
 - "An October 2009 Immigration Department report identified 'significant concerns' in Victoria's international educational industry and 'in particular, related pathways to permanent residence'. The report warned: 'The department's investigators reported that foreign students were paying about \$50,000 to achieve permanent residency through a 'significant cottage industry' involving 'migration agents, employers and education providers...'"
- ❖ 'Billions can be rorted through immigration visas'
 - *Financial Review*, May 15, 2015 Tony Boyd reporting
 - "Reforms to the significant investor visa program are long overdue but still leave about \$10 billion in foreign investment capital at the risk of being rorted in a manner that does not benefit the Australian economy."