



Australian Government

Department of the Prime Minister and Cabinet
Office of Best Practice Regulation

Reference: 21946
Telephone: 6271 6270
e-mail: helpdesk-OBPR@pmc.gov.au

Ms. Linda Geddes
Acting Deputy Secretary
Policy Group
Deputy Comptroller-General
Department of Immigration and Border Protection

Dear Ms Geddes

Regulation Impact Statement – second-pass final assessment – abolition and replacement of 457 visas

Thank you for forwarding a Regulation Impact Statement (RIS) to the Office of Best Practice Regulation (OBPR) for second-pass final assessment on 28 August 2017 examining the proposal to abolish and replace 457 visas.

The OBPR's final assessment is that the RIS is compliant with the Government's requirements, noting your Department has provided both certified first and second pass RISs for OBPR assessment. I also note your Department worked closely with the OBPR to estimate a net regulatory saving of \$1.185m per annum.

While a significant amount of effort has gone into the RIS, we consider that overall the RIS used to inform the decision to abolish and replace 457 visas does not achieve best practice. The OBPR does not believe the level of analysis is commensurate with the potential for the proposal to have longer term impacts on the labour market. For example, the longer term impact on the competitiveness of Australia's labour market – while discussed - is not assessed in any detail, in particular the impact of the policy on Australia's competitiveness in attracting and retaining highly skilled or specialised workers. This includes uncertainty around the effect the changes may have on the ability of Australian institutions to attract and retain overseas students. Without this analysis, the RIS does not articulate or clearly explain why Option 1 has the highest net benefit and is the preferred option.

The OBPR maintains a RIS website and aims to post RISs as soon as practicable after the regulatory decision has been publicly announced. We would appreciate you advising us when a final decision on this proposal has been announced and forwarding us a copy of the RIS in a form meeting the Government's accessibility requirements. Our reference number for this issue is 21946. If you have any further queries please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Wayne Poels', with a stylized flourish at the end.

Wayne Poels
Executive Director
4 September 2017