



THE MCKELL INSTITUTE

A Fairer Pathway

IMPROVING AUSTRALIA'S
TEMPORARY MIGRATION PROGRAM

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About the Author

Abul Rizvi is a graduate from the ANU. He was the Immigration Department's Chief Financial Officer from 1991 to 1995 before becoming responsible for managing Australia's migration program from 1995 to 2007.

From 1998, Rizvi managed major growth in skilled temporary migration, visitors, working holiday makers and overseas students, including development of pathways to permanent migration.

Between 1996 and 2007, Rizvi was Chair of the Commonwealth/State Working Party on State-Specific and Regional Migration. He was responsible for commissioning research on the demographic, economic and budgetary impact of immigration.

He was Deputy Secretary responsible for all aspects of immigration policy from 2005. Rizvi was awarded the Public Service Medal and the Centenary Medal for services to the development and implementation of Australian immigration policy.

From 2007 to 2015, Rizvi was Deputy Secretary in the Department of Communications responsible for broadcasting policy, internet regulation, the digital economy and regional telecommunications including mobile blackspots.

He is currently completing a PhD at The University of Melbourne on Australia's immigration policies.

Acknowledgments

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Foreword

Australia is an immigration nation. For generations, people from all over the world have aspired to live and work in this country, fuelling the nation's prosperity, and allowing Australia to emerge as one of the most diverse and successful multicultural societies in the world.

As a result of targeted immigration, particularly over the past 20 years, Australia has become a demographic outlier.

Australia is generally younger and ageing at a much slower rate than the majority of developed nations; it has a much larger portion of overseas born in the population, most of whom have traditionally been encouraged to apply for citizenship rather than remain long-term permanent residents or temporary residents. Until the coronavirus crisis, Australia's population was growing more quickly than every major developed nation. This was due particularly to immigration, but also to the contribution of a younger population to a higher rate of natural increase.

To generate an adequate level of interest from young, skilled migrants, from around the year 2000 onwards the Government implemented policies to grow the number of temporary entrants (e.g. students, working holiday makers, skilled temporary entrants) with pathways for these people to access permanent residence - an approach that was previously considered taboo amongst policy-makers in both Australia and in other developed nations.

These measures also contributed to rapid growth in Australia's international education industry, its international tourism industry and provided a supply of skilled workers into other key industries such as health and aged care, ICT, finance, construction and mining.

But in recent years, pathways to permanent residency and citizenship have been made highly opaque and unnecessarily lengthy, limiting the long-term benefits that immigration policy should deliver, with potentially adverse consequences for Australian society in the long run. And too often, this cohort of immigrant workers is subject to the worst forms of exploitation seen in the Australian workplace.

Young, skilled temporary and permanent migrants will play a critical role in increasingly ageing societies. As competition for such migrants will intensify, it is essential that Australia addresses the fact many temporary migrants find themselves in vulnerable work without agency in the workplace, with few social protections.

Further, many 'temporary' migrant workers remain in Australia for extended periods of time. This scenario has seen the emergence of a class of long-term temporary workers who are at once excluded from the protections of resident and citizen workers, and uniquely exposed to wage theft and workplace exploitation.

This is not the story of Australian immigration we should aspire to tell future generations. Australia should be a country where every migrant feels welcome and protected, and where every migrant should be able to fully participate in Australian society. But Australia's inability to protect those who come to live and work in Australia is undermining this goal.

This report explores this worrying trend and outlines why and how it should be addressed by Government.

Executive Summary

As of December 2019, there were 2.4 million temporary entrants and visitors in Australia, the largest number in Australia's history, but that number has fallen fast due to the coronavirus crisis and the Government's message for temporary entrants to 'go home'.

How the Government deals with the situation of temporary entrants currently in Australia will shape how quickly we recover from the economic downturn and how Australia is perceived in the future competition for students, tourists, working holiday makers and skilled temporary entrants. The current 'go home' message with no actual support for temporary entrants to get home may be remembered for years to come. Potentially a very large number of temporary entrants may be left destitute with no access to either the JobKeeper or JobSeeker payments.

This report explores the nature of the increase in temporary entrants over the past 20 years, the effects on temporary entrants living and working in Australia, and the broader impacts of temporary migration on Australia's economy and society.

It begins by exploring the background to today's migration program.

As *Part 1* of this report details, temporary and permanent migration has increased considerably since the year 2000, resulting in Australia's population becoming younger and more diverse than other advanced economies.

Part 2 outlines the state of temporary migration policy in Australia today. Temporary migrants in Australia live and work under a range of visa categories, all of which have increased since 2000 while some have steadily declined since 2013 (e.g. employer sponsored temporary entry and working holiday makers). *Part 2* also details the notable increase in asylum claims in Australia by visitor visa holders who have arrived in legal ports of entry such as international airports. A growing backlog of asylum claims has resulted in a large cohort of temporary entrants residing in Australia with few legal rights. If left poorly addressed, this situation risks the emergence of an 'underclass' of temporary migrant workers in Australia, comparable to what is seen in parts of Europe and the United States.

Part 3 details the extent to which migrant workers are underpaid and exploited in Australian workplaces. *Part 3* argues that the current extent of exploitation amongst temporary workers should not be considered a forgone conclusion, but that it is the result of policy settings that limit the agency of migrant workers in the workplace, grant disproportionate bargaining power to employers of temporary migrants, and see labour standards poorly enforced throughout the economy, due in part to a reduced role for unions.

Combined with the growth in lower-skilled temporary migration, this status quo risks the emergence of a second-tier cohort of workers within the Australian labour market who are uniquely vulnerable to exploitation.

Finally, *Part 4* explores the impact of these trends on the Australian labour market, and Australian society more broadly. While there is scant evidence that immigration overall negatively impacts wage growth or labour conditions within Australia (or any advanced country), *Part 4* notes that there are negative consequences associated with the increasing extent of labour exploitation in Australia. If temporary entrants in Australia are not granted more agency, and their labour rights remain unenforced, labour exploitation will remain rife in the Australian economy, placing downward

pressure on wages and conditions, particularly in lower-skilled industries already prone to underpayment.

Part 4 also notes that a migration framework that fails to provide clear pathways to permanent migration leads to the emergence of a large number of long-term, 'temporary' residents within Australia who are unable to participate fully in Australian society and the Australian economy.

The report concludes with 12 recommendations to Government aimed at strengthening Australia's immigration framework to deliver stronger outcomes for the Australian economy, further protections for temporary migrant workers, and improvements to social cohesion.

Australia will remain an immigration nation. This should be celebrated. But Governments must strive towards an immigration policy that is in the best interests of both the Australian economy, and the migrants that help it thrive.

Recommendations in Brief

Recommendation 1: The Government should implement measures to encourage temporary entrants who are exposed to the coronavirus to self-isolate without losing income and assist temporary entrants who lose their job to return home if they do not have the financial capacity to do so rather than become destitute.

Recommendation 2: The Government should invest in adequately identifying the degree to which exploitation and abuse of temporary entrants exists across all visa categories.

Recommendation 3: The Government should develop detailed plans, including funding, timetables and key milestones, to address the surge in onshore asylum seekers in the past 4-5 years and ensure genuine refugees are processed quickly and provided with permanent protection.

Recommendation 4: Given the low pay, low skill and low English language concessions under Designated Area Migration Agreements, the Government should review the adequacy of mechanisms, and Commonwealth level monitoring arrangements, to limit exploitation of temporary migrants under these arrangements.

Recommendation 5: The Government should offer a more streamlined pathway to permanent protection to the growing number of people in Australia on Temporary Protection visas.

Recommendation 6: The Government should review changes to the former Regional Sponsored Migration Scheme (RSMS) to enable a higher level of take up and reduce the risk of exploitation.

Recommendation 7: The Government should review changes to the former sub-class 489 state/territory government sponsored skilled migration visa to enable greater take up and reduce the risk of exploitation.

Recommendation 8: The Government should ensure processing of spouse visas is demand driven, as required by the Parliament, by removing any (likely unlawful) limitations to places available each year.

Recommendation 9: The Government should review operation of the new temporary parent visas and its potential impact on Australia's health and aged care system and the viability of removing temporary parents from Australia after they have lived here for five years or more.

Recommendation 10: The Government should review changes made to employer sponsored skilled temporary and permanent entry in 2017-18 to ensure Australia's arrangements are globally competitive.

Recommendation 11: The Government should commission independent research into the decline in demand for Australia's Working Holiday Maker program.

Recommendation 12: The Government should implement measures to address concerns about a reduction in education standards associated with overseas students which is impacting negatively on the reputation of Australia's international education industry.

Terminology used in this report

Stock: A technical term that defines the aggregate situation of a variable at a point in time (e.g. the number of visa holders in Australia at a particular date). This contrasts with a *flow* variable which measures the number of occurrences of a variable over a period of time (e.g. the number of visas granted in a financial year).

NOM: Net overseas migration is the means by which the ABS measures the net contribution of immigration to the aggregate population over a period of time. It is defined as the aggregate number of people, irrespective of visa category or citizenship, who arrive in Australia and remain in the country for at least 12 months out of 16 months; less the number of existing Australian residents, irrespective of visa category or citizenship, who depart Australia for 12 months out of 16.

DAMA: Designated Area Migration Agreement. These are agreements between the Department of Home Affairs and a region or state/territory of Australia that allow for the migration of short-term temporary entrants (usually no more than 2 years) in specific occupations and under concessionary arrangements for skill levels, English language ability and wages.

Part 1: A Background to Australia's Temporary Migration Program

Key Findings

1. Australia's immigration program has shifted dramatically over recent decades, from one favouring direct permanent migration towards one that facilitates temporary migration with pathways to permanent migration.
2. Since 2000, Australia's migration program has significantly shaped Australia's demographics, leading to Australia emerging as one of the youngest, most culturally diverse and fastest-growing developed countries in the world.
3. On current projections, Australia may be the last developed nation to begin experiencing population decline.
4. Australian immigration policy has facilitated major growth in the international education and international tourism industries which are now significant contributors to export earnings and job creation.

Australia's migration program has evolved significantly since the 1980s, gradually shifting from a policy focused on permanent migration towards one that has embraced temporary entrants, particularly employer-sponsored skilled migrants, working holiday makers, and students with pathways to permanent migration and eventually citizenship. At end-December 2019, more than 2.4 million temporary entrants were in Australia, playing an increasingly vital role in the Australian economy.

Temporary migration covers a vast array of different visa types with varying eligibility criteria for visa applicants. The traditional view of immigration authorities across migrant settler nations was that opening up temporary entry in any significant way would put unsustainable pressure from temporary entrants to be allowed to remain permanently.¹

This view was the driving force behind Australia's immigration authorities arguing strongly against allowing a large cohort of temporary entrants to develop, and particularly against the introduction of low skill and low pay temporary agricultural worker programs such as those in the USA and Europe. Australia's approach to temporary entry, and in particular to overseas students, working holiday makers and skilled temporary entrants, was very much guided by this kind of thinking until the early 2000s.

Late 1980s: Overseas Student Visas Are Tightened

Concerns about long-stay temporary entry were reinforced after the opening up of overseas student policy in the 1980s, particularly through short English Language Intensive Courses for Overseas Students (ELICOS) courses.

The rapid increase in numbers, a high rate of overstaying and non-compliance with visa conditions amongst students raised concerns within the Immigration Department from as early as 1987.

While the issue was brought to a head following the Tiananmen Square massacre (4 June 1989) with the bulk of students eventually being granted permanent residence, it led to the establishment of the gazetted and non-gazetted country regime which provided for more rigorous processing of student visa applications from higher immigration risk countries.

The tightening of policy also led to the closure of a large number of private colleges and exposed the lack of a safety net for overseas students attending such colleges. Another issue was that student visa applicants had paid fees to education institutions in Australia, but their visa had not been processed. As a result, and despite policy tightening, the number of students from China continued to grow for at least a year after the Tiananmen Square massacre.

Drawing on an Industry Commission Report by former Immigration Deputy Secretary Tony Harris (1991)², the Government introduced significant new regulations to manage the export of the education industry. A key finding of the Report was that a balance must be sought between a lenient application process that permits excessive illegal immigration and a burdensome process that dissuades genuine applicants.

As a result of the policy tightening, overseas student numbers remained subdued for much of the 1990s although concerns about unscrupulous education providers and student non-compliance continued to be raised.^{3,4} This has remained an ongoing challenge that risks the reputation of Australia's international education industry.

1985-1995: Working Holiday Maker Program Grew Before Being Capped

While Australia has had a formal working holiday maker program since the Fraser Government, this was limited to a very small number of countries (essentially the UK and Ireland, Canada, the Netherlands and Japan).

Despite some hesitance about the potential for individuals to overstay their visa, the working holiday maker program steadily grew for most of the 1980s. The recession of the early 1990s led to pressure from the ACTU to limit the program. Their concerns were founded on a major increase in the number of working holiday makers since 1983-84, when fewer than 6,000 working holiday-makers arrived in Australia. In the financial year 1988-89, the number was somewhere in the vicinity of 45,000.⁵

To reassure the ACTU, the Keating Government introduced capping of the yearly number of working holiday maker visas that could be issued. The use of capping for working holiday makers continued for most of the 1990s albeit with frequent increases in the level of the cap.

1995: Roach Report paved way for more skilled temporary entrants

In 1995, the Government released a report on skilled temporary entry by the CEO of Fujitsu, Neville Roach. This report eventually led to introduction of the sub-class 457 visas in 1996 by the Coalition Immigration Minister, Philip Ruddock.

In releasing the Roach Report, Immigration Minister Nick Bolkus promised employers of 'good standing' would be able to apply for pre-qualified status that would obviate the need to re-apply for sponsorship for subsequent visa applicants.⁶ These employers nominating a 'key activity' would be exempt from both labour market testing as well as any skills assessment of the visa applicant. Unsurprisingly, almost all employers nominating positions to be filled from overseas indicated these positions as being 'key activities'.

Health assessments were to be streamlined with no medical examinations required except where a medical declaration showed a public health risk. Formal police checks would also not be required.

The visa sought to streamline entry to Australia for up to four years. A key objective was to accelerate the speed of processing to deal with an increasingly inter-connected business world's need to rapidly access urgently needed skills. The new Immigration Minister, Philip Ruddock, inherited the Roach Report in 1996, with the Howard Government implementing a majority of recommendations advanced in the report.

1996-1999: Howard Government initially tightened permanent migration

The Howard Government initially tightened permanent migration policy, limiting family migration and introducing threshold age, English language and skills criteria into the skill stream.⁷ But from 1999 onwards, the Howard Government reversed course and increased the migration program, citing the decline in fertility through the 1990s and the impact of this on population ageing.⁸ On-going complaints from industry and employer bodies about increasing skill shortages, particularly in regional Australia, also motivated the Government to act.

From a Treasury perspective, population ageing was the most significant factor – Treasury pressed hard for an increase in skilled migration targeting people near the start of their working lives.⁹

The Government approached the challenge through a range of inter-linked measures, including increased occupational targeting, expansion of visa mechanisms to assist migration to regional Australia and development of more streamlined and electronic visa processing arrangements to manage the anticipated growth in visa applications. However, these would not be enough to adequately and quickly address concerns about skill shortages.

The gradual streamlining of long-term temporary entry arrangements for students, working holiday makers and skilled temporary entrants and the opening up of 'on-shore change of status' to grow the skill stream was revolutionary. In 1996-97 only some 16 per cent of a skill stream of 27,550¹⁰ was drawn from people already in Australia. By 2006-07, this had increased to some 39 per cent of a much larger skill stream of 97,920.¹¹

1998-2000: A formal nexus between overseas students and permanent migration develops

In a speech on 18 March 1998 to the National Press Club, Minister Ruddock emphasised that the Government was considering streamlining visa assessment for students from emerging markets such as China and India.¹²

Ruddock's thinking on the nexus between overseas students and skilled migration gradually shifted. In 2000, Ruddock said the Government had ensured a 'critical shift' in the way greater numbers of successful overseas students were able to migrate to Australia after completing their studies. He explained this gave Australia a significant competitive advantage over competing countries in terms of Australia's ability to attract more overseas students and skilled migrants.

After relatively slow growth during most of the 1990s (mainly but not entirely due to the restrictions of the gazetted and non-gazetted country student visa regime introduced in the early 1990s), overseas student numbers and their contribution to net migration increased strongly from 2001. Offshore student visa grants increased very slowly from the 1996-97 level of 68,611 to 86,277 in 2000-01, an increase of 26 per cent. But from this stage, offshore student grants accelerated to 226,898 in 2008-09, an increase of 163 per cent. The increase was also associated with a shift towards China and India as the main source countries (see *Table 1.1*).

Table 1.1: Offshore Student Visa Grants by Main Source Country

1996-97	1999-00	2004-05	2008-09
South Korea: 9,588	China: 6,079	China: 17,506	India: 54,610
Indonesia: 8,030	Malaysia: 5,900	USA: 10,367	China: 35,405
Japan: 6,319	Indonesia: 5,439	India: 10,000	Nepal: 10,706
Malaysia: 5,327	Hong Kong: 4,544	South Korea: 9,328	South Korea: 10,055
Singapore: 4,575	Japan: 4,438	Malaysia: 6,609	USA: 8,872
Total: 68,611 ¹³	Total: 74,428 ¹⁴	Total: 116,715 ¹⁵	Total: 226,898 (Home Affairs website)

Source: Abul Rizvi, SOPEMI Reports 1997, 2000 and 2005

The two key factors driving this growth were changes to the design of student visas to facilitate growth while balancing non-compliance risk and more open pathways to further temporary and permanent residence. The Government significantly streamlined the design of student visas to facilitate growth as well as opening up the opportunity for successful overseas students to make an onshore application for permanent residency through the Skilled Independent and related visa categories.¹⁶

2000-2013: Working Holiday Makers are increasingly relied upon

During this period of immigration reform there was a continued increase in the reliance on Working Holiday Makers (WHMs). The Government expanded the number of countries with whom it had WHMs agreements. By November 2001, the government had agreements in place with Canada, the Republic of Ireland, Japan, the Republic of Korea, the Netherlands, Malta, the United Kingdom, Germany, Sweden, Denmark, Norway and Hong Kong.¹⁷

The Government further streamlined visa processing – in July 2002, the immigration department initiated a pilot of electronic lodgement of WHMs. Processing of all electronically lodged WHM applications was centralised in Hobart.¹⁸ By 2003, around 90 per cent of WHM applications were lodged electronically with over half of these decided on the same day.¹⁹

Changes were made to the visa to provide a significant incentive to people to work in agricultural regions and in turn provide farmers with mobile and enthusiastic workers when they are most needed for farm labour. The visa also gave a boost to the tourism industry, because the working holiday-makers who stay longer may or may not choose to do more fruit-picking in that second year but they will at least be available for a whole range of jobs, including in the tourism industry which relies heavily on WHMs.²⁰

The Government also announced additional flexibilities with the WHM visa including allowing WHMs to work for a maximum of six months with one employer recognising that many businesses need to train up WHMs before they are fully efficient in the work of the business. Previously, the law permitted only three months with any single employer. The minimum period of study allowed under a WHM was increased from three to four months to allow WHMs with nursing qualifications to undertake a bridging course before they could work as a nurse. This made it significantly easier for these nurses to subsequently secure skilled temporary residence and eventually permanent residence.²¹

The higher immigration risk Work and Holiday (W&H) visa also continued to be expanded. While this visa began with a small agreement with Iran, by 2006, Chile, Thailand, Turkey and Bangladesh had been added.²² The addition of the USA to the Work and Holiday visa led to over 2,000 such visas being granted to US nationals in 2007-08.²³ In 2006-07, WHM visa grants had increased to 134,612 with the

main source countries being the UK (31,204); Korea (28,562), Germany (15,684), Ireland (13,514) and Japan (11,707). 98 per cent of applications were lodged online.²⁴

These changes led to rising numbers of WHM and W&H visa holders working longer term in Australia. This inevitably had a flow-on to other temporary visas as well as permanent migration where the WHM/W&H visa holders were able to demonstrate they possessed skills in demand.

2003-2013: Employer sponsored migration and skilled temporary entrants grow

Employer sponsored permanent migration has traditionally been treated as a high priority in the skill stream. This form of migration has always been managed on a demand driven basis, that is, if demand for employer sponsored permanent entry increased, usually in association with a strong economy, the number of places available in the overall program would be increased or places in the points-tested categories would be reduced.

The rationale for this is well established in the research. A skilled migrant who has been sponsored by an Australian employer has a skilled and relatively well-paying job on arrival. As a result, employer sponsored migrants consistently make the largest per capita economic and budgetary contribution.

Growing the skill stream through the employer sponsored migration was therefore considered superior to growing it through the independent skilled migration or through the business skills categories. But despite being managed on a demand driven basis, employer sponsored migration remained below 6,000 per annum through the second half of the 1990s (see *Table 1.2*). The Immigration Department's attitude to onshore change of status by long-term temporary entrants also stunted growth of employer sponsored permanent migration.

To deliver growth in employer sponsored migration, the Immigration Department created specialised 'business centres' in the department's regional offices from the late 1990s. These business centres ensured employer sponsors of both temporary and permanent applicants received specialised assistance from officers with a strong knowledge of business, financial terms and the employer sponsorship segment of the *Migration Act*. The Department also used the significant increase in long-term temporary residents with work rights (i.e. students, working holiday makers and sub-class 457 visa holders) as a feeder group for employer sponsored permanent residence, including the Regional Sponsored Migration Scheme.

Table 1.2: Employer Sponsored Permanent Migration (includes Labour Agreements and RSMS)

	Visas to Offshore Applicants	Visas to Onshore Applicants (portion of employer sponsored migration)	Total (portion of total program)
1996-97	2,340	3,220 (57.9%)	5,560 (7.7%)
1997-98	2,140	3,810 (64.0%)	5,950 (8.9%)
1998-99	1,536	4,047 (72.5%)	5,583 (8.2%)
1999-00	1,230	4,160 (77.2%)	5,390 (7.7%)
2000-01	1,200	4,600 (79.3%)	5,800 (7.2%)
2001-02	1,240	4,760 (79.3%)	6,000 (6.4%)
2002-03	2,770 (a)	7,760 (73.6%)	10,540 (9.8%)
2003-04	2,020 (b)	8,380 (80.6%)	10,400 (9.1%)
2004-05	2,600	10,430 (80.1%)	13,020 (10.8%)
2005-06	3,220	12,000 (78.8%)	15,230 (10.7%)
2006-07	3,590	12,990 (78.3%)	16,590 (11.2%)
2007-08	4,926	18,836 (79.2%)	23,762 (15.0%)

Source: Successive SOPEMI Reports to 2009. (a) Includes 794 STNI visas. (b) Includes STNI visas

These measures led not only to an increase in the overall number of permanent migrants under employer sponsored categories (at least until 2013) but also to a significant increase in the portion of these migrants who were already in Australia at the time they were sponsored. The bulk of these permanent residence visas followed a pathway through skilled temporary entry.

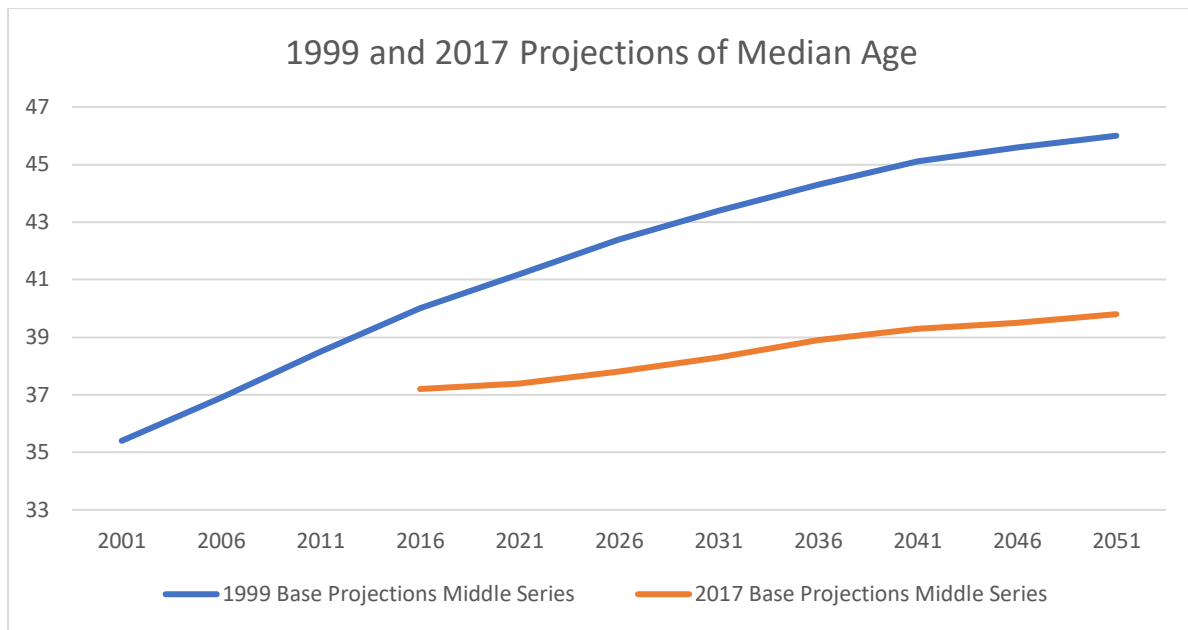
Visas for skilled temporary entrants fell immediately after the Global Financial Crisis, but again surged from 2011 to 2013 as Australia emerged from the economic slowdown more quickly than any other OECD nation. A slowing economy from 2014 led to skilled temporary entry numbers again falling.

Migration Policy has Made Australia Younger and More Diverse

The past two decades of migration policy have transformed modern Australia, dramatically reducing the projected rate of population ageing and leading to Australia becoming one of the most linguistically and culturally diverse countries in the world.

According to UN population projections, Australia's median age and working age to population ratio will be lower than all developed nations for the foreseeable future. The ABS's 1999 population projections for Australia compared to those of 2017 demonstrate this significant deceleration in Australia's projected rate of population ageing (see *Figures 1.1* and *1.2*).

Figure 1.1: Projections of Median Age in Australia in 1999 and 2017



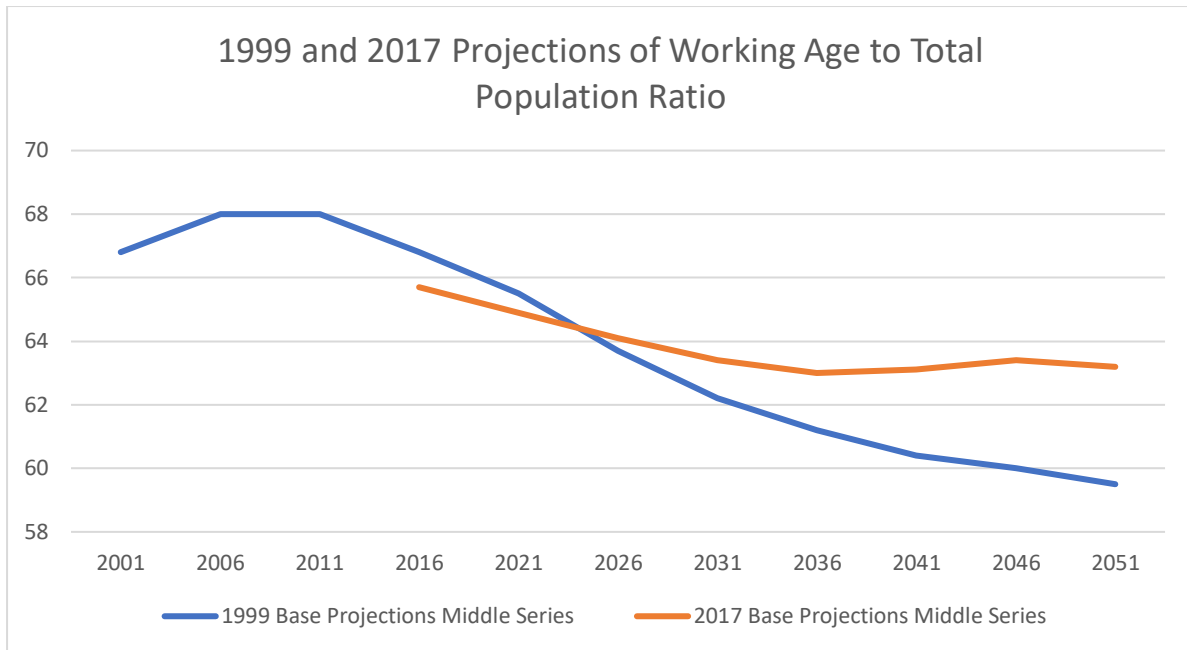
Source: ABS Catalogue 3222

The ABS expected the portion of the population 65+ by 2051 could make up 24-27 per cent of the population compared to only 12 per cent in 1999.²⁵ Using the middle series in its 2017 base projections, the ABS projects this to now only increase to 21 per cent by 2066 – a very significant slowing in the rate of ageing.

The ABS also projected Australia's median age would rise from 35 in 1999 to around 46 by 2051. Its 2017 base projections indicate a median age of 39.8 by 2051 (see *Figure 1.2*) – a difference of over 6 years.

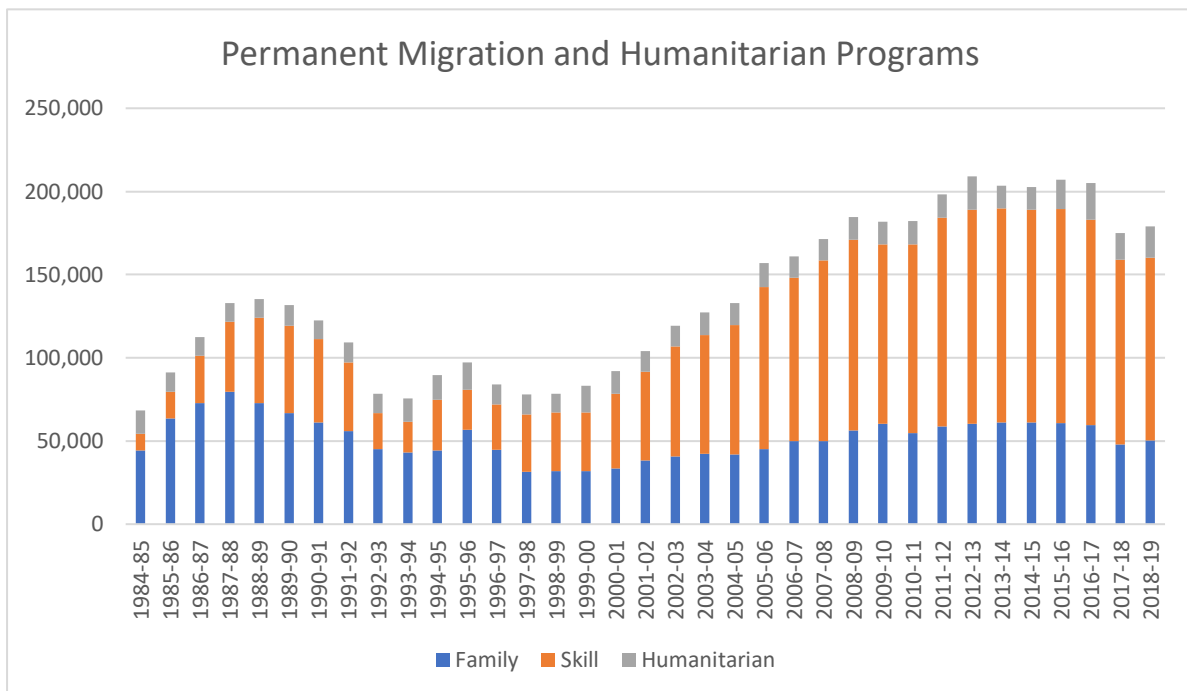
In its 1999 base projections, the ABS projected the working age population (WAP) as a portion of the total population would fall from 67 per cent in 1999 to 65 per cent by 2021 and 59-61 per cent by 2051. In its 2017 base projections, the ABS adjusted this to 63.2 per cent by 2051 (see *Figure 1.2*). From a demographic perspective, migration policy since the 1980s has also made Australia one of the world's most diverse nations with almost 30 per cent overseas born (*Table 1.4*).²⁶

Figure 1.2: Working Age to Total Population Projections from 1999-2017



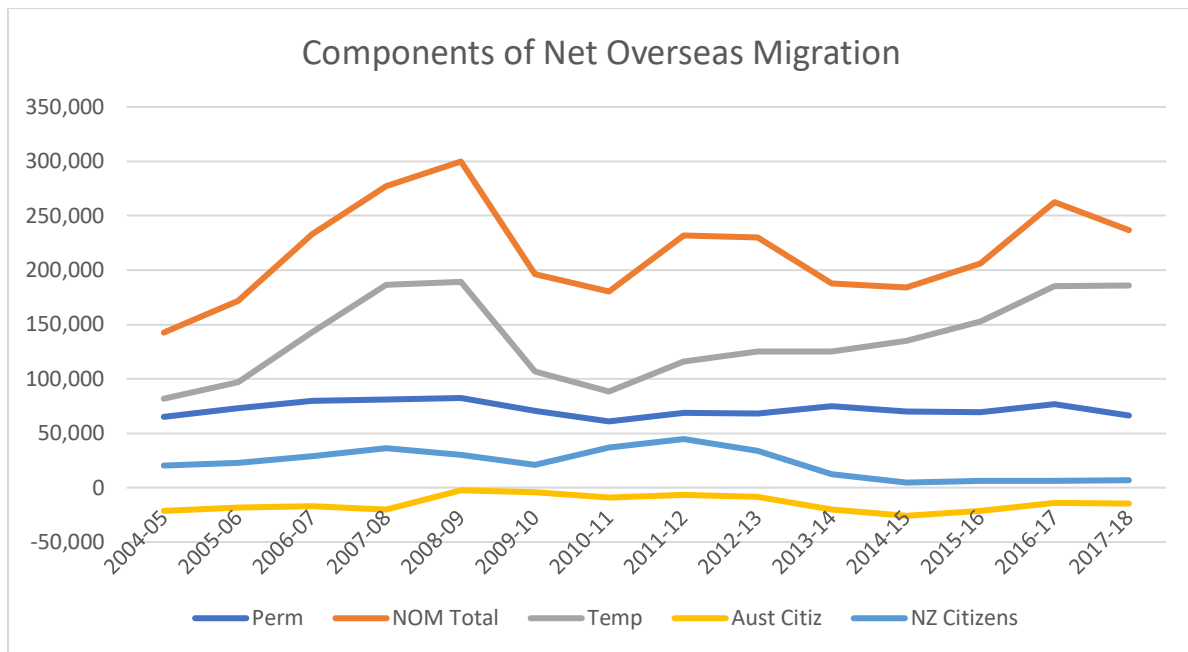
Source: ABS Catalogue 3222

Figure 1.3: Permanent Migration and Humanitarian Programs



Source: Parliamentary Library, Home Affairs Website, Migration and Humanitarian Programs

Figure 1.4: Components of Net Overseas Migration



Source: ABS Catalogue 3412

Table 1.3: Sources of Overseas Born in the Australian Population

Country of Birth	2001 Census	2006 Census	2011 Census	2016 Census
First	England 4.5%	England 4.3%	England 4.2%	England 3.9%
Second	New Zealand 1.9%	New Zealand 2.0%	New Zealand 2.2%	New Zealand 2.2%
Third	Italy 1.2%	China 1.0%	China 1.5%	China 2.2%
Fourth	Vietnam 0.8%	Italy 1.0%	India 1.4%	India 1.9%
Fifth	China 0.8%	Vietnam 0.8%	Italy 0.9%	Philippines 1.0%

Source: ABS Catalogue 2071, Census data from 2001, 2006, 2011, 2016.

Table 1.4: Australia Compared with Major Developed Nations

Country	Population Growth Rate (2017)	Foreign Born Population (2017)	Per cent Population 65+ (2017)	Median Age (2017)	Projected Natural Increase (2015-2020)
Australia	1.6%	27.7%	14.71%	37.5	0.61%
Canada	1.1%	20.0%	15.71%	40.7	0.30%
France	0.4%	12.0%	17.95%	41.4	0.27%
Germany	0.4%	12.8%	21.45%	46.0	-0.25%
Italy	0.4%	9.5%	21.25%	46.3	-0.24%
Japan	-0.23%	1.6%	25.06%	46.7	-0.27%
UK	0.7%	12.3%	17.26%	40.3	0.31%
USA	0.7%	13.1%	14.50%	37.8	0.43%

Source: United Nations, Department of Economic and Social Affairs, Population Division.

Part 2: Temporary Migration in Australia Today

Key Findings

1. There were 2.4 million temporary entrants and visitors in Australia at the end of December 2019, up from 1.6 million in December 2011. In recent years, the bulk of this growth was driven by overseas students, temporary graduates, visitors, asylum seekers and bridging visa holders.
2. The six-month period to end-December 2019 shows a decline in offshore visa grants for students and skilled temporary entrants compared to the same period in 2018. This would have continued into 2020 even without the impact of the coronavirus crisis.
3. The economic downturn associated with the coronavirus will likely result in a decline in temporary entrants in Australia, with net overseas migration likely falling close to zero compared to the 2019 Budget forecast of 271,000.
4. The extent of the fall in net overseas migration will depend on the degree of assistance the Government provides to temporary entrants to get home. If there is limited assistance, a very large number of temporary entrants may become destitute with no access to social support – unable to get home and unable to get a job.
5. A weak economy would, in the longer term, also impact the Government's ability to deliver the skill stream of the migration program as an increasing portion of provisional visa holders may not meet requirements to secure permanent residence and may themselves become destitute.
6. A considerable backlog in asylum claims is building, including individuals already in Australia who have arrived through legal ports of entry such as international airports. The inadequate resolution of this challenge risks the emergence of a cohort of workers in Australia particularly exposed to exploitation, like those seen in Europe and the United States.

There are more temporary migrants in Australia than ever before

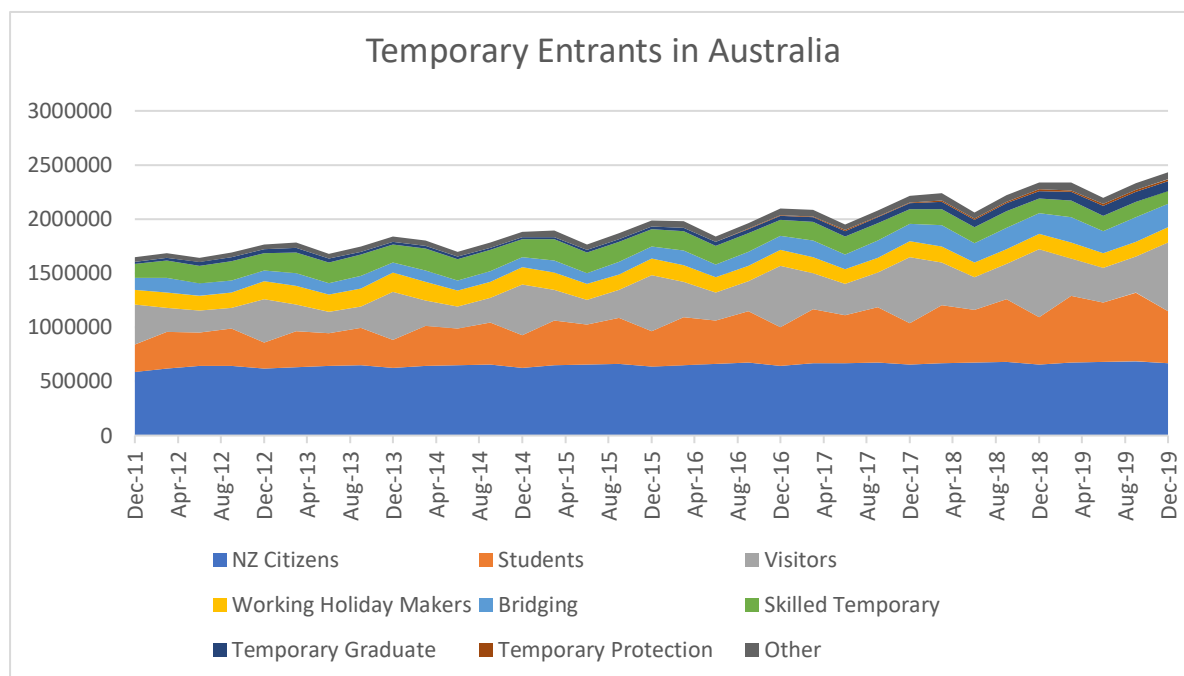
As of December 2019, there were 2.43 million temporary entrants in Australia, an increase of over 0.8 million since December 2011 (see *Figure 2.1*). The bulk of this increase was driven by overseas students, temporary graduates, international visitors and more recently asylum seekers, with the number of employer sponsored skilled temporary entrants and working holiday makers in steady decline.

The 2019 Budget forecast a significant increase in temporary entry numbers to 2023, with net overseas migration averaging 268,000 per annum while the permanent migration program has been reduced to 160,000 per annum. The increased level of net overseas migration was highly unlikely to be

delivered, even before the coronavirus crisis. It is now likely net overseas migration in 2020 may be close to zero.

Students and visitors are the most common temporary entrants in Australia

Figure 2.1: Temporary Entrants in Australia from 2011-2019



Source: Temporary Entrants on Data.gov.au, Department of Home Affairs

The bulk of the increase in temporary entry has been driven by two categories – students, which increased from 0.26 million in 2011 to 0.48 million in 2019, and visitors, which increased from 0.37 million in 2011 to 0.64 million in 2019.

The other major categories to have increased significantly since 2011 are former overseas students on a post-study temporary graduate visa and bridging visas. The increase in the former is a flow-on consequence of the large increase in student visa holders, while the latter is the result of slower visa processing onshore. Most bridging visas are granted to temporary visa holders already in Australia who have applied for a further substantive visa but the Home Affairs Department is unable to process that visa application in a sufficiently timely way.

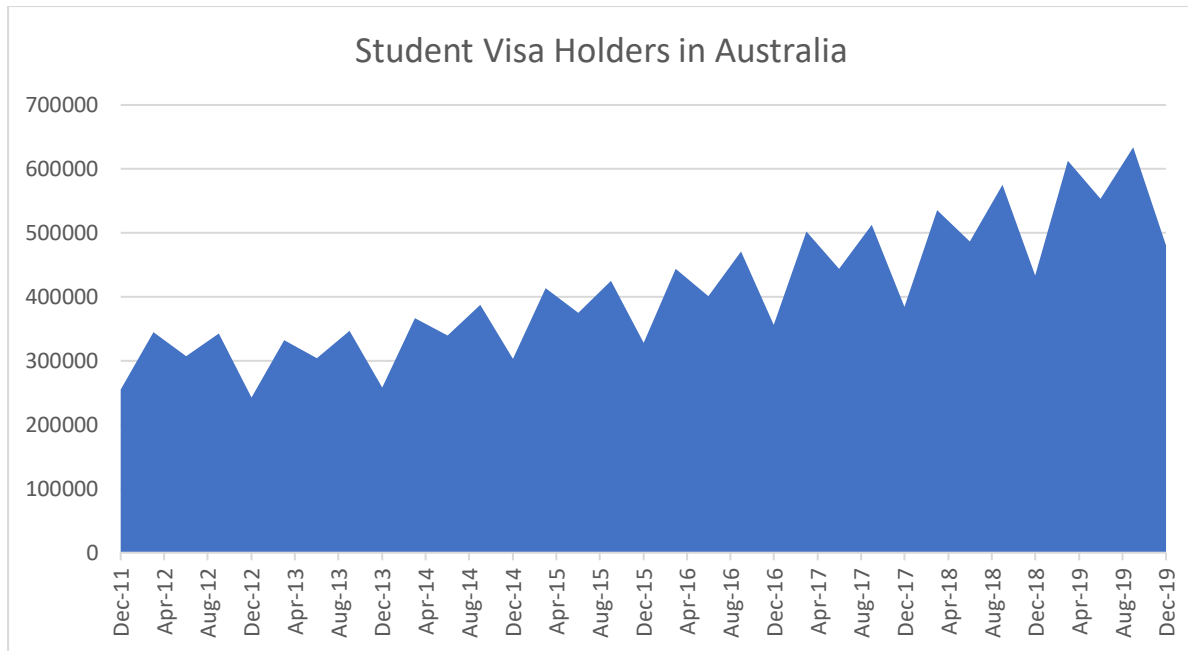
The number of NZ citizens in Australia on special category temporary visas has also increased from 587,100 in December 2011 to 668,687 in December 2019. There has also been a steady decline in the number of temporary skilled visa holders (down from a peak of 191,216 in 2013 to 119,160 in 2019) and working holiday makers (down from a peak of 178,982 in 2013 to 141,142 in 2019).

Two emerging temporary visas are temporary protection visas and temporary parent visas which started from 1 July 2019 and are capped at 15,000 per annum.

Student visa holders often convert to a Net Overseas Migration Arrival

Overseas students have been the dominant driver of both temporary and permanent migration over the past 20 years (see *Figure 2.2*). These visa holders have a high propensity to convert to a NOM Arrival (see *Table 2.1*) and a low propensity to be counted as a NOM Departure on a student visa (see *Table 2.2*).

Figure 2.2: Student visa holders in Australia



Source: Student Visa Holders on Data.gov.au, Department of Home Affairs

Table 2.1: Propensity of Offshore Student Visa Holders to Convert to a NOM Arrival

Education Sector	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
VET	62.4%	61.5%	59.9%	65.1%	61.5%	74.5%
Higher Education	83.1%	85.1%	81.4%	85.2%	81.9%	83.6%
Other	38.4%	41.1%	40.0%	41.5%	44.7%	48.0%
Total	63.0%	67.0%	65.0%	67.8%	67.1%	70.7%

Source: Home Affairs Student Visa Reports, ABS Catalogue 3412 and Author Calculations

Table 2.2: Student NOM Departures by Major Student Sector and Portion of Student Stock at Start of Year

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
VET	9,020 (8.7%)	7,940 (10.8%)	8,260 (13.5%)	8,720 (15.6%)	9,450 (13.3%)	11,160 (11.0%)	14,659 (8.4%)
Higher Education	30,090 (16.9%)	28,370 (16.8%)	26,560 (15.2%)	25,330 (12.5%)	24,190 (10.6%)	25,250 (10.4%)	31,000 (11.7%)
Other	8,160 (15.5%)	8,650 (13.7%)	9,330 (13.7%)	10,990 (13.2%)	10,470 (14.0%)	9,920 (16.4%)	8,790 (20.0%)
Total	47,570	44,960	44,150	45,040	44,110	46,330	54,449

Source: ABS Catalogue 3412 and Home Affairs Student Visa Reports. Percentages in brackets refer to NOM Departures as a portion of student stocks in relevant sector at start of financial year.

Prior to the coronavirus crisis, students were making a strong contribution to net overseas migration (over 40 per cent per annum) and therefore to population growth (second only to natural increase) and the age structure of Australia's population. *Table 2.3* shows that students transition to a range of onshore temporary and permanent visas.

Table 2.3: Destinations of Student Visa Holders (i.e. Onshore visa immediately after student visa)

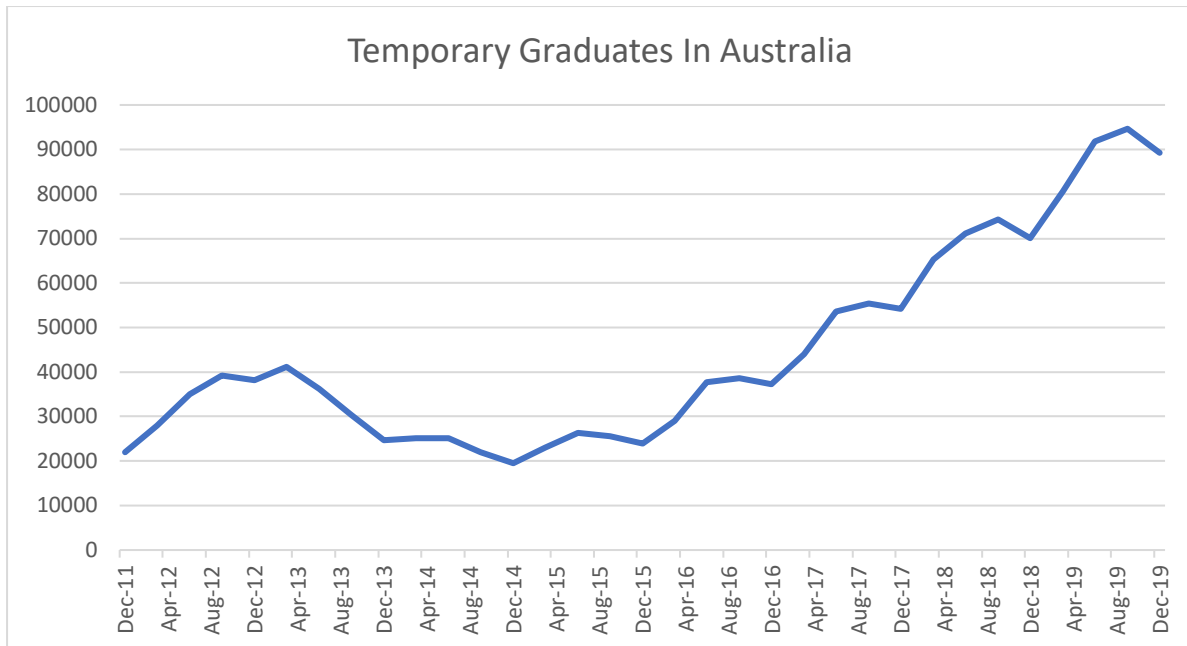
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Student	31,012	28,531	26,641	27,858	27,593	84,255	73,791	48,542*
Visitor	26,296	27,799	30,653	32,283	35,952	39,945	44,158	46,978
Temporary Graduate	33,753	30,793	20,496	20,952	30,209	37,759	46,695	57,587
Temporary Skilled	10,478	17,946	15,843	14,676	11,715	10,685	6,233	6,100
Partner and Other Family	7,736	9,343	8,636	8,548	7,459	8,586	6,193	6,852
Skilled Independ	7,080	6,131	4,464	5,335	5,340	5,133	3,469	3,102
Skilled Nominated	4,710	5,230	4,246	3,945	5,112	3,885	3,543	3,025
RSMS	3,902	5,494	2,868	2,256	2,759	2,087	926	2,167
ENS	1,132	824	588	515	494	479	NA	NA
WHM	2,737	2,808	2,743	2,746	2,912	2,846	3,086	3,306
Other Temporary	610	745	1,012	1,234	1,081	1,023	NA	NA
Onshore Protection	946	1,217	1,057	1,285	986	864	599	647
Other	2,971	2,623	1,586	1,601	1,625	1,471	4,000	4,251
Total	133,363	139,484	120,833	123,234	133,237	199,018	192,693	182,557
Total Not Including Student to Student	102,351	110,953	94,192	95,376	105,644	114,763	118,902	134,015

Source: Student Program Reports, Home Affairs website. *This figure does not include students who held a SC 500 student visa and secured a further SC 500 student visa.

Temporary graduates are a growing temporary migrant category

Flowing on from the growth in student numbers has been the strong growth in temporary graduate visas. These visas are 2-4 year visas that are available to graduate students depending on the level of study undertaken. *Figure 2.2* shows 21,911 visa holders in 2011 has grown to 89,324 in 2019.

Figure 2.2: Temporary Graduates in Australia



Source: Temporary Graduates, Department of Home Affairs

This post-study work visa is an increasingly critical pathway for successful overseas students to develop skills needed either to secure permanent residence or improved job opportunities in other countries.

A significant reduction in the number of temporary entrants in Australia would require the consideration of policy regarding students and temporary graduates. In doing so, one must be conscious that according to the Australian Department of Education, international education was worth \$35.2b to the Australian economy in 2018. It is Australia's fourth largest source of export income and supports 240,000 jobs nationally.²⁷

Recent policy changes curb offshore student visas

The Department of Home Affairs had introduced major policy tightening that would have cut back growth in offshore student visa grants from 2019-20, even without the coronavirus. It was announced in September 2019 that applications for student visas from nationals of India, Nepal and Pakistan would be treated as higher risk (other than those for top tier universities). By placing these students in a higher assessment level, they are required to undertake a mandatory English language test and a funds check to ensure the student applicant has the funds to afford studying in Australia.

This is likely to further increase refusal rates and eventually a decline in the student application rate from nationals from these three countries. Home Affairs also announced it would increase the level of funds that student visa applicants would need to demonstrate they had access to in these higher assessment (or risk) categories.²⁸

In the six months to December 2019, offshore student visa grants were down around 5 per cent compared to the same period in the previous year with visa grants to nationals from India and Nepal most affected. India and Nepal are the second and third largest source of overseas students to Australia.²⁹

There has also been a steady decline in offshore student visa grants to Chinese nationals. Given current diplomatic tensions with China, this trend is also likely to continue, leading to a substantial contraction in Australia's international student industry and the associated export, business and job creation benefits.

That is not to suggest there were not serious issues with policy on the overseas student program that required attention. Media reports question the standard of education being delivered and the impact of that on the reputation of the industry.^{30,31} A particular concern is standards in the private VET sector and second tier Australian universities.³²

With regard to the rapidly growing post-study temporary graduate visa, any recommendations to limit access to this visa would need to consider the UK experience where similar action led to a sharp decline in overseas students. The UK has subsequently reinstated a post-study work visa.³³

The coronavirus crisis will have a sharp impact on the industry over the next six months as many students will find it hard to survive without a job. Some may go home early if they can find the money to do so. Without a change in current government policy, others will become destitute.

Working Holiday Makers have declined

Another major temporary entry category is the Working Holiday Maker (WHM) and the (generally higher immigration risk) Work & Holiday (W&H) visa. The number of people in Australia on this visa has been in steady decline (see *Figure 2.3*) due to rising international competition for these high yield tourists. Moreover, extensive media reports of these visa holders being abused by employers and labour hire companies, as well as the introduction of a special tax targeting these visa holders, is likely to have contributed to the declining number of WHMs.

Table 2.3: WHM and W&H Visas Granted (Offshore and Onshore)

Year	Sub-class 417 First Visa	Sub-class 417 Second Visa	Sub-class 462 First Visa	Sub-class 462 Second Visa
2006-07	127,171	7,822	1,812	NA
2007-08	142,516	11,826 (9.3%) (a)	3,488	NA
2008-09	166,132	21,775 (15.3%) (a)	6,409	NA
2009-10	150,431	25,315 (15.2%) (a)	7,422	NA
2010-11	162,980	22,500 (15.0%) (a)	7,442	NA
2011-12	184,143	30,501 (18.7%) (a)	8,438	NA
2012-13	210,369	38,862 (21.1%) (a)	9,017	NA
2013-14	183,428	45,950 (21.8%) (a)	10,214	NA
2014-15	173,491	41,339 (22.5%) (a)	11,982	NA
2015-16	159,409	36,264 (20.9%) (a)	18,910	NA
2016-17	157,858	34,097 (21.4%) (a)	18,647	409 (2.2%) (a)
2017-18	152,622	32,828 (20.8%) (a)	21,667	3,339 (17.9%) (a)
2018-19	142,805	37,418 (24.5%) (a)	23,012	5,801 (26.8%) (a)

Source: Working Holiday Maker Reports, Home Affairs Website plus author estimates from 2017-18 (a)
Percentage of previous year's First Visa Grants

First WHM visa grants have fallen steadily from 210,369 in 2012-13 to 142,805 in 2018-19. Second WHM visa grants similarly fell from 45,950 in 2013-14 to 32,828 in 2017-18 but increased in 2018-19 to 37,418 (see *Table 2.3*).

The decline in WHM visas has been offset by growth in W&H visas, initially from the USA and more recently from China, Chile, Spain, Argentina, Indonesia, Czech Republic and Austria. While growth in this visa from the USA is slowing, visa numbers from most other W&H agreement countries are subject to caps which have been raised and could continue to grow if the Government considered that appropriate and assuming the issue of exploitation can be adequately addressed. The Government is continuing to negotiate W&H agreements with additional countries.

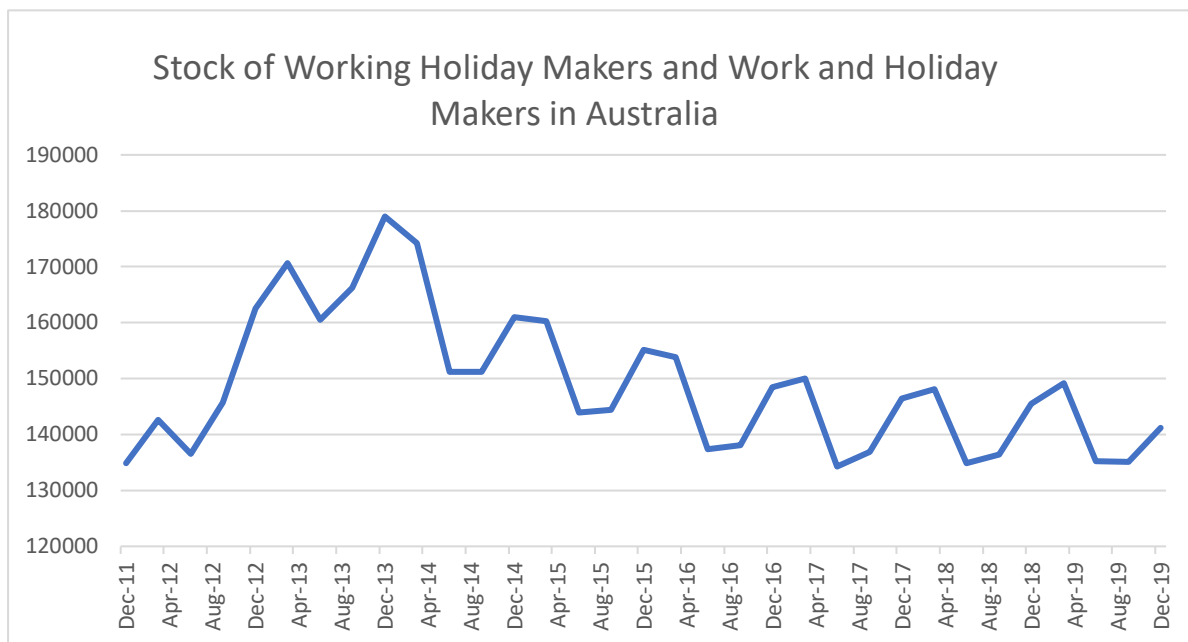
Table 2.4: Stock of WHM and W&H Visa Holders in Australia at end of June

Year Ending June	WHM First Visa	WHM Second Visa	W&H First Visa	W&H Second Visa
2006	60,000 (Est)	2,292 (Est)	NA	NA
2007	70,000 (Est)	5,225 (Est)	NA	NA
2008	78,000 (Est)	9,040 (Est)	NA	NA
2009	87,000 (Est)	16,482 (Est)	NA	NA
2010	79,000 (Est)	20,367 (Est)	NA	NA
2011	88,000 (Est)	19,978 (Est)	4,007	NA
2012	106,730	25,377	4,486	NA
2013	123,160 (59%) (a)	32,165 (30.1%) (b)	5,178	NA
2014	107,377 (59%) (a)	37,817 (30.7%) (b)	6,007	NA
2015	101,458 (59%) (a)	35,434 (33%) (b)	7,026	NA
2016	95,847 (60%) (a)	30,909 (30.5%) (b)	10,620	NA
2017	92,728 (59%) (a)	28,187 (29.4%) (b)	13,061	293
2018	90,434 (59%) (a)	28,090 (30.3%) (b)	13,700	2,685
2019	85,684 (60%) (a)	30,126 (32.8%) (b)	14,796	4,657

Source: Home Affairs Reports on Working Holiday Makers plus author estimates. (a) Percentage of first WHM visa grants. (b) Percentage of previous year's stock of first WHM visa holders.

The number of WHM/W&H visa holders in Australia will decline due to the coronavirus crisis and may only recover once the labour market strengthens.

Figure 2.3: Stock of Working Holiday Makers, and Work and Holiday Makers in Australia



Source: Stock of WHM and W&H Makers on Data.gov.au, Department of Home Affairs

Skilled temporary entrants are also declining

Temporary skilled entry closely tracks the state of the economy and in particular the labour market. *Table 2.5* shows its contribution to NOM grew strongly from the early 2000s through to 2008, when it peaked at 37,670. The strong decline in 2009 reflects the impact of the Global Financial Crisis and policy tightening with NOM Arrivals declining by around 19,000 and NOM Departures increasing by 3,000.

The rate at which skilled temporary entrants increased from 2010 to 2012 reflects the speed with which the Australian economy recovered after the GFC. The subsequent decline from 2013 reflects a weakening labour market with unemployment rising to 6 per cent in 2014.

Table 2.5: Temporary Skilled Entry Contribution to Net Overseas Migration

	Temporary Skilled– NOM Arrivals	Temporary Skilled – NOM Departures	Temporary Skilled – Net (% of NOM)
2004	16,660	7,130	9,530 (6.9%)
2005	21,460	8,040	13,420 (8.5%)
2006	31,940	9,000	22,940 (11.6%)
2007	39,300	9,920	29,380 (12.0%)
2008	49,610	11,940	37,670 (11.9%)
2009	30,770	14,920	15,850 (6.4%)
2010	30,670	13,540	17,130 (10.0%)
2011	41,710	12,390	29,320 (14.2%)
2012	48,400	15,880	32,520 (13.5%)
2013	37,350	20,690	16,660 (8.0%)
2014	31,040	22,230	8,810 (4.8%)
2015	31,610	20,300	11,310 (6.1%)
2016	31,170	17,020	14,160 (5.8%)
2017	30,260	15,350	14,910 (6.2%)
2018	28,630	14,930	13,690 (5.5%)
2019 (Govt Forecast)	33,200	15,400	17,800 (6.6%)

Source: ABS Catalogue 3412 and Questions on Notice No 31, BE 19/32

The decline in skilled temporary entry contribution to NOM in 2018 was the result of policy tightening by the Turnbull Government.³⁴ This was counter-cyclical as both the economy and labour market strengthened in 2017-18 with unemployment falling to 5 per cent.³⁵ The processing of these visas slowed and subsequently, the backlog increased.

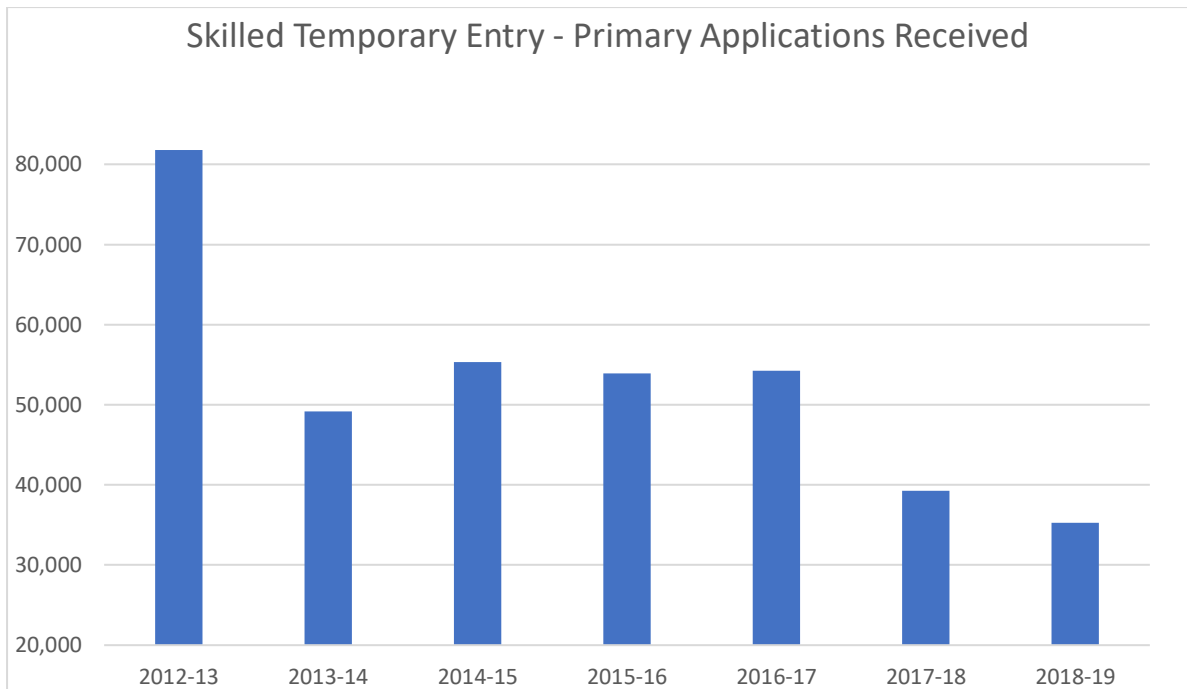
Visa grants increased in 2018-19 relying entirely on backlog clearance as new application numbers continued to decline (see *Figure 2.4*). The Government forecast of an increase in skilled temporary entry contribution to NOM in 2019 is likely to reflect this release of pent up demand from a backlog of applications rather than new applications. Overall, skilled temporary entry visa grants in the six months to December 2019 fell to 36,960 compared to 44,637 for the same period in 2018. Offshore skilled temporary visa grants to December 2019 fell to 21,746 compared to 25,768 for the same period in 2018.

Table 2.6: Temporary Skilled Entry Visa Grants and Stock

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Offshore	78,973	72,532	55,481	54,689	48,873	51,788	37,521	48,365
Onshore	46,102	53,829	43,090	41,395	36,738	35,792	26,949	33,610
Total	125,075	126,361	98,571	96,084	85,611	87,580	64,470	81,975
Granted PR	NA	40,270	45,250	50,080	51,140	50,620	39,810	43,650
Stock end June	162,273	191,216	195,083	188,002	170,585	161,413	147,339	142,828
Stock – India	22,227	30,909	37,337	40,880	38,283	34,787	31,487	30,462
Stock – UK	41,269	45,412	39,793	33,351	27,850	26,162	23,152	20,988
Stock – Philippines	11,343	12,889	13,813	12,650	11,112	10,543	10,321	11,297
Stock – China	5,937	7,801	9,786	11,637	11,834	11,214	9,739	8,422

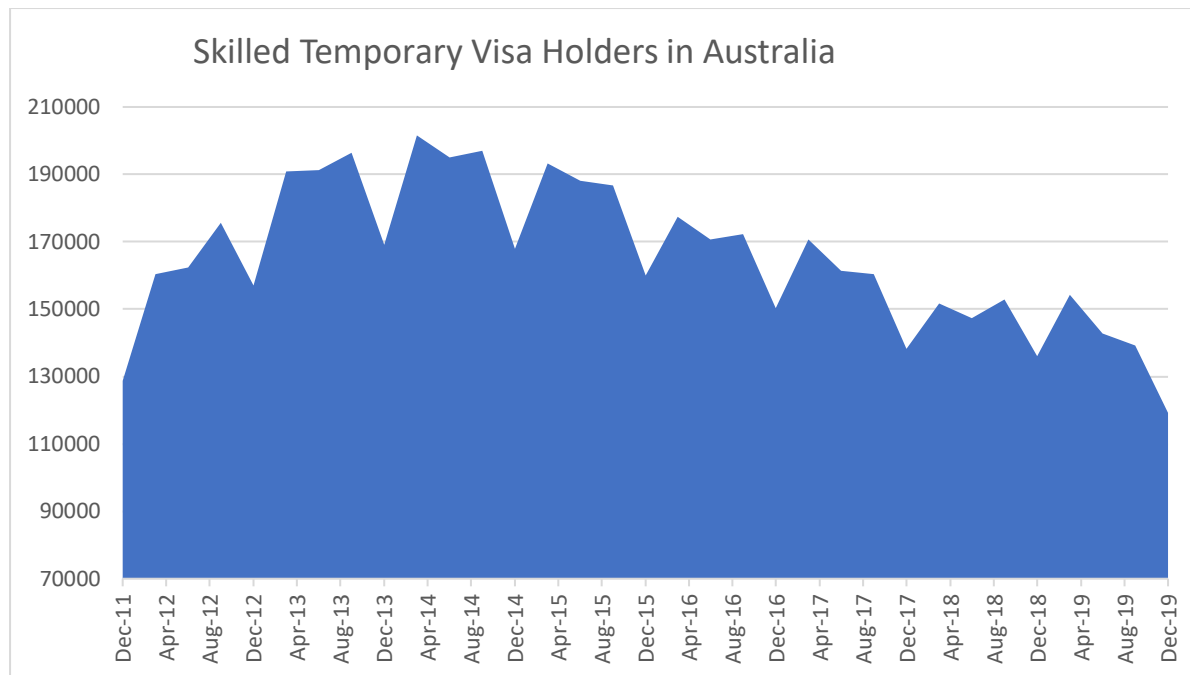
Source: Temporary Business Entry Pivot Table on Data.gov.au, Department of Home Affairs

Figure 2.4: Skilled temporary entry in Australia since 2012



Source: Skilled Temporary Entry on Data.gov.au, Department of Home Affairs

Figure 2.5: Overall stock of skilled temporary visa holders in Australia



Source: Skilled Temporary Visa Holders on Data.gov.au, Department of Home Affairs

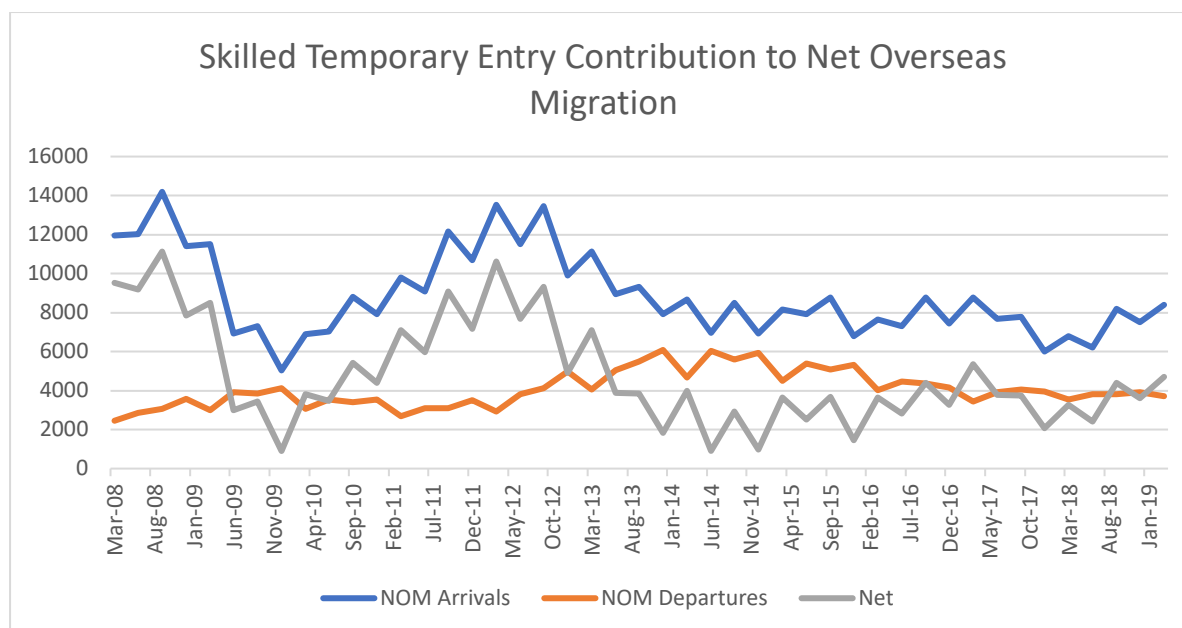
Multiple industries rely on skilled and lower-skilled temporary entrants

Skilled temporary entrants are utilised throughout the economy. The major occupational grouping that uses skilled temporary entry is the professional, science and technical sector which has around 10,000 primary visa holders. Beyond this sector, the accommodation and food, construction, health, ICT and media, manufacturing, mining, education and agriculture sectors also have consistently been reliant on skilled temporary entrants.

In 2018-19, 43,650 skilled temporary visa holders were granted permanent residence in Australia, an increase of 9.7 per cent from 2017-18. Of these, 42,290 were in the skill stream and 1,300 in the family stream (mainly partners). In the skill stream, 33,690 were granted an employer sponsored visa, 4,190 a skilled independent visa; 4,210 a state/territory nominated visa.

The 2019 Budget forecasts skilled temporary entry NOM Arrivals at 33,200 – almost 5,000 higher than the outcome for 2018. This seems plausible given the increase in skilled temporary entry offshore visa grants of over 11,000 to 48,365 in 2018-19 as shown in *Figure 2.6*. However, this will be sharply affected by the coronavirus crisis leading to a decline in arrivals and an increase in departures.

Figure 2.6: Skilled Temporary Entry Contribution to Net Overseas Migration from 2008-2019



Source: Data Supplied by ABS

Skilled temporary entrants were predicted to decline even before COVID-19

The relatively cautious forecast in the 2019 Budget for skilled temporary entry NOM arrivals, despite the forecast of a strengthening economy and labour market, may have reflected the fact that tight policy settings for skilled temporary entry introduced in 2017-18 remain largely in place. This suggests that even if the strong economic growth and labour market forecast in the 2019 Budget were to be realised (which is now not possible due to the economic consequences of COVID-19), without policy change, skilled temporary entry NOM Arrivals are unlikely to increase in the period between 2020 to 2023.

Even with a strong economy, skilled temporary entry NOM Departures are likely to rise due to the limited pathways for further stay under subclass 482 visa. While these are unlikely to reach the levels in 2013-15 of around 20,000 per annum, an increase in NOM Departures in the early part of 2020-2023 is likely.

In the likely case that the economy weakens and unemployment rises, offshore visa grants to skilled temporary entrants will fall further. The decline in temporary skilled entry visa grants in the six months to December 2019 compared to the same period the previous year would confirm a likely further decline in the stock of skilled temporary entrants.

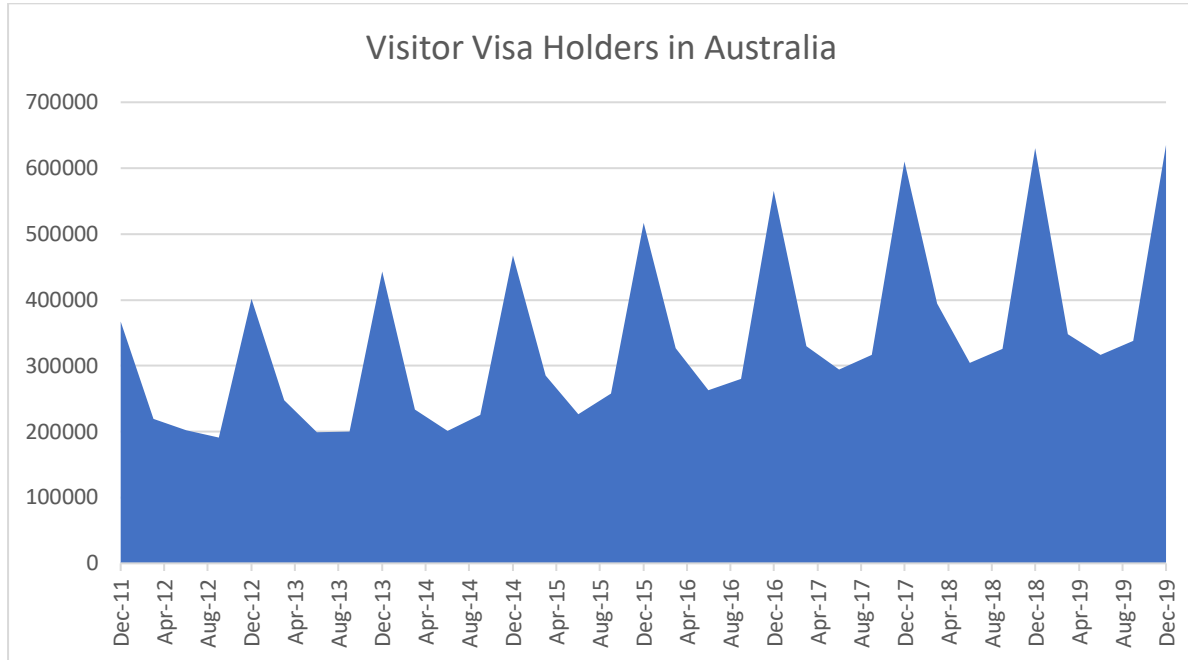
Against this background, there is little evidence to support further policy tightening on skilled temporary entry other than in respect of DAMAs where the key issues will be a risk of exploitation due to the low skill, low English and low pay concessions available. There is merit, however, in revisiting the recommendations of a range of reviews of skilled temporary entry.³⁶

Visitors and bridging visa holders have been increasing

The stock of visitor visa holders in Australia is highly seasonal, but has been trending higher for at least 20 years as a result of Australia's growing international tourism industry. That industry now

represents one of Australia's largest sources of export income (around 8 per cent of total exports). The tourism industry (domestic and international) employs almost a million people which was around 8 per cent of total employment.³⁷

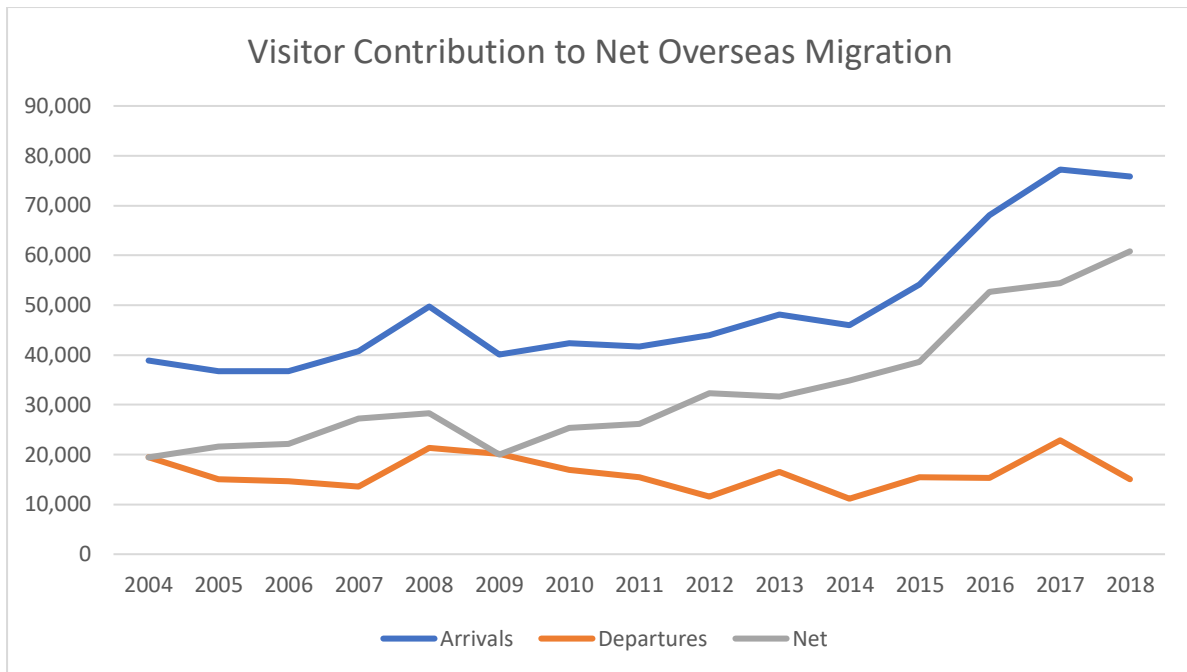
Figure 2.7: Visitor Visa Holders in Australia



Source: Visitor Visa Holders on Data.gov.au, Department of Home Affairs

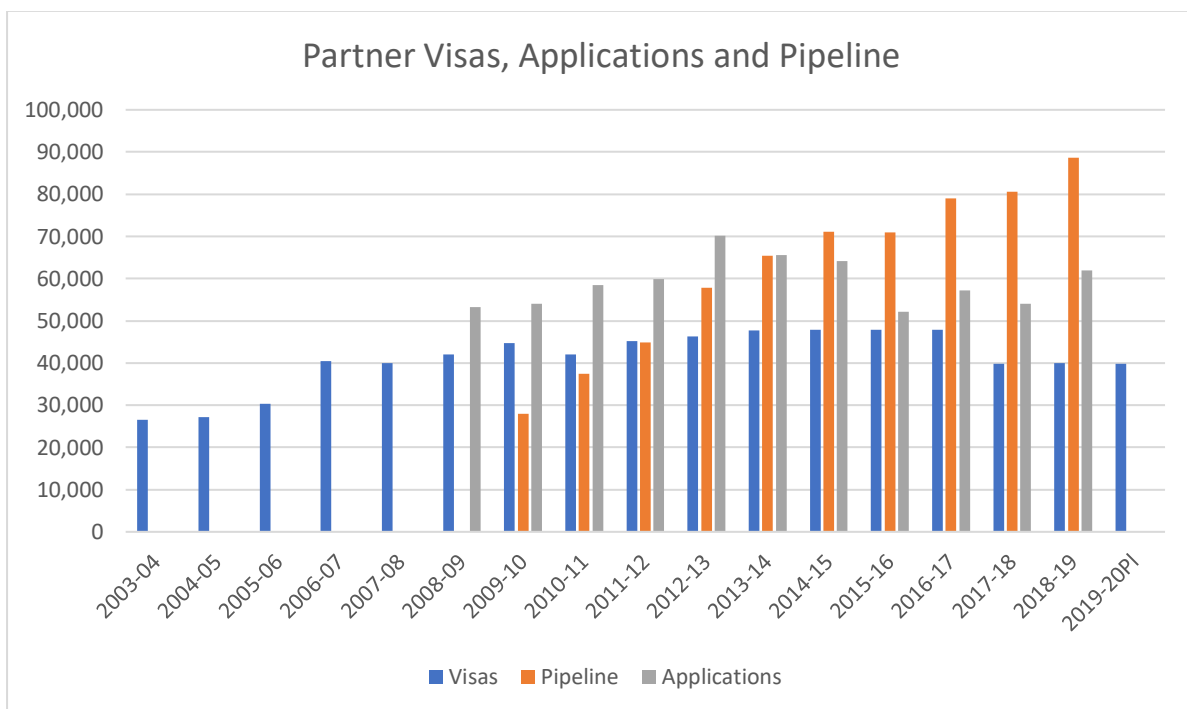
While the vast majority of visitors are in Australia for a relatively short period, there has been a trend towards a rising number of visitors extending their stay in Australia on either a longer-stay temporary visa or a permanent visa. This is linked to a sharp growth in the number of people in Australia on bridging visas – these are mostly people already in Australia waiting for a decision on their substantive visa application or a review of a decision on a substantive onshore visa application. The number of people on bridging visas has grown from 110,894 in December 2011 to 216,141 in December 2019. This growth is being driven primarily by partners of Australians who are not prepared to wait two plus years before they can live together in Australia (see *Figure 2.8*),³⁸ a surge in asylum seekers arriving on visitor visas, and slow visa processing more generally.

Figure 2.8: Visitor Contribution to Net Overseas Migration



Source: ABS Catalogue 3412

Figure 2.9: Partner Visas, Applications and Pipeline



Source: Migration Program Reports, Home Affairs Website

The recent surge in asylum seekers is largely unprecedented

Since 2018, there has been a marked increase in the number of asylum applications in Australia, the bulk of which often result in refusal. The primary refusal rate for onshore asylum claims in 2018-19 from Malaysia was 99 per cent, 96 per cent for those from China and 92 per cent for those from India.³⁹

Table 2.7: Onshore Asylum Applications Received

Source Country	2014-15	2015-16	2016-17	2017-18	2018-19
Malaysia	1,401	4,812	8,579	9,319	8,013
China	1,299	1,428	2,269	9,315	4,872
India	674	895	1,133	1,529	1,864
Thailand	NA	180	232	846	1,319
Fiji	231	343	307	354	980
Vietnam	132	302	867	764	782
Indonesia	119	280	426	515	672
Others	4,731	4,457	4,477	5,289	6,064
Total	8,587	12,697	18,290	27,931	24,566

Source: Home Affairs Onshore Humanitarian Reports, Home Affairs Website

By December 2019 there were 36,777 outstanding asylum applications at the primary stage. The Department of Home Affairs received 2,219 new applications in December and finalised 997 applications. That means the primary stage backlog increased by 1,222 in a single month.

Eighteen asylum seekers who had not received a final protection visa were 'deported' in December 2019 – 17 voluntarily and one involuntarily. The total number of asylum seekers still in Australia who had not been granted a final protection visa was 46,356 at the end of December 2019. It is likely this number includes asylum seekers who have appealed their decision to the Administrative Appeals Tribunal (AAT).

Applications that are refused at the primary stage are steadily moving onto the AAT (see *Table 2.8*). With an asylum clearance rate of 40 per cent in 2018-19, and a migration clearance rate of 65 per cent in 2018-19, the AAT remains a very long way from being able to finalise more applications than it is receiving (although it will be assisted by the closure of international borders cutting off a large source of applications to the AAT). Unless significant additional resources are provided to the AAT, its backlogs will continue to build as will those at the primary stage. The median processing time for asylum applications in 2018-19 was 72 weeks. This means that almost every asylum case will be included in net overseas migration, mostly under the visitor category (see *Figure 2.8*).

Table 2.8: Migration and Asylum Applications on Hand at the AAT

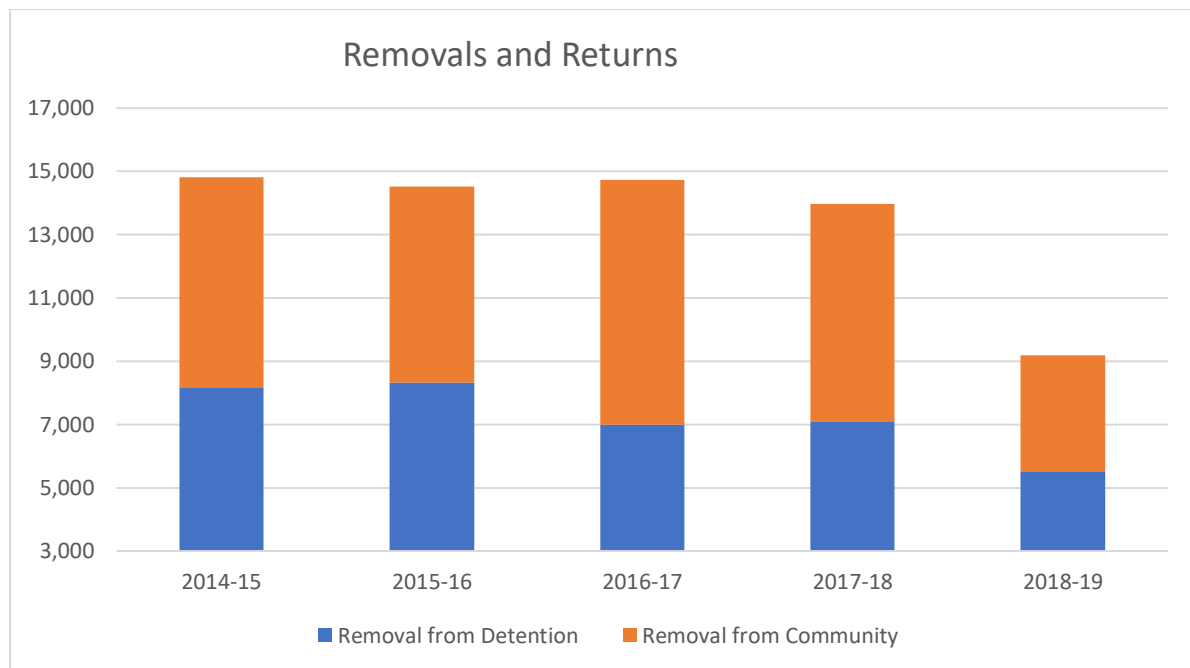
	End July 2016	End June 2017	End June 2018	End June 2019	End December 2020
Migration Cases	11,798	16,092	29,991	39,029	41,411
Asylum Cases	5,682	8,370	14,445	20,689	25,104
Total	17,480	24,462	44,436	59,718	66,515

Source: AAT Statistical Reports, AAT Website

Government's approach to asylum seekers is creating new challenges

The Government's attempts to limit visitors who might be seeking asylum has led to a very large increase in visitor visa refusals that is creating real economic costs. The tourism industry alone is losing over \$500 million per annum due to an increase in refusals under the current approach.⁴⁰ The current asylum policy is also undermining Australia's ability to assist those in genuine need of our protection and costing the Australian Government, which has to process large numbers of unmeritorious asylum applications and then arrange for their location, detention and removal, considerably. To date, Australia has largely avoided the build-up of an underclass of unsuccessful asylum seekers as is the case in Europe and North America, but given the management of the current system, it appears this may no longer be the case.

Figure 2.10: Asylum Seeker Removals and Returns



Source: Department of Home Affairs

Exploitation of temporary entrants will be an ongoing challenge

In December 2019 there were more temporary visa holders living and working in Australia than at any time in the nation's history. With over 2.4 million temporary entrants and visitors, there is an increasing risk of exploitation.

Part 3: The Vulnerability of Temporary Workers in Australia

Key Findings

1. There is growing evidence that certain categories of temporary entrants are disproportionately vulnerable to workplace exploitation, particularly underpayment.
2. It is likely the vast majority of incidences of underpayment are not reported nor resolved.
3. Temporary entrants in some categories have a uniquely small degree of bargaining power in the workplace, leaving them exposed.

Temporary migration is an essential component of the Australian migration program. However, some categories of temporary entrants are also more exposed to exploitation and underpayment than any other cohort of the Australian workforce. The nature of Australia's worker protection arrangements give employers and labour hire companies considerable agency over their employees, with migrant workers often feeling unable to raise concerns about the conditions they experience at work due to the power imbalance between employer and employee, and the links between visas and employment.

Exploitation of temporary entrants is rampant across Australia

Of all cohorts within the Australian labour market, migrant workers are the most vulnerable to exploitation. A growing evidence base has emerged in recent years demonstrating the extent to which this is occurring throughout the Australian economy.

Results from the 2016 Wage Theft in Australia report⁴¹ indicate that among the 4,322 responses received from temporary migrant workers:

- 30 per cent said they earned \$12 per hour or less and 46 per cent said they earned \$15 per hour or less in their lowest paid job⁴²
- one quarter of international students and over one third of working holiday makers were paid around half the legal minimum wage
- underpayment was especially prevalent in food services, and in fruit and vegetable picking
- 44 per cent of respondents were paid in cash and half rarely received a pay slip.

While the *Wage Theft in Australia* report is the largest survey of temporary migrant workers' wages and conditions undertaken in Australia, subsequent research has corroborated its findings. As early as 2009, a survey of more than 200 international students found that more than half were earning between \$7-15 per hour, well below minimum wage.⁴³ A 2016 survey of 278 horticultural workers found that mean wages were below the minimum award rate,⁴⁴ and a 2016 survey of over 1400 international students found that 100 per cent of respondents were underpaid to varying degrees.⁴⁵ Alarming, it isn't just surveys of workers themselves that expose the extent to which it has become

standard practice for temporary migrant workers to be underpaid in Australia. A 2017 survey of 332 *employers* of temporary migrant workers found an overwhelming majority (74 per cent) admitted underpaying either weekend or weekday award rates.⁴⁶

Ultimately, this growing body of evidence led to the Commonwealth Government commissioning a report into that state of wage theft specifically for migrant workers in Australia. Led by Professor Allan Fels, the *Migrant Workers Taskforce* reported to the Commonwealth Attorney-General in 2019 the extent to which exploitation was occurring amongst temporary migrants.

The *Migrant Workers' Taskforce* put forward 23 recommendations to government, including the criminalisation of the worst forms of intentional underpayment, which have been adopted in principle by the Commonwealth. Despite the legislative changes, however, questions still remain over the capacity of enforcement agencies to effectively oversee workplaces nationwide. The *Migrant Workers Taskforce* put forward considerable arguments in favour of greater protections for migrant workers. However, its reliance on findings of the *Wage Theft in Australia* report demonstrates the need for greater government involvement in surveying and identifying incidences of underpayment among Australia's temporary workforce. This is outlined in *Recommendation 2* of this report.

Temporary migrant workers are vulnerable for multiple reasons

It is important to stress that the vulnerability of migrant workers should not be considered a forgone conclusion. Indeed, the determinants of the vulnerability facing temporary workers are well known, and in many cases able to be mitigated against through considered Government policy interventions. While there are myriad reasons for individual cases of exploitation in the labour market, the following issues result in the widespread exploitation seen across the labour market:

1. *Migrant workers have a lack of bargaining power in the workplace*

Temporary migrant workers in Australia do not enjoy the same degree of bargaining power in the workplace as they did in the past or compared with Australian citizens and permanent residents. This is driven by the gradual decline in Union representation in Australian workplaces, which impacts all Australian workers but leaves vulnerable migrant workers particularly exposed. Further, there is a fundamental power imbalance between employers of temporary migrants and temporary migrants themselves.

2. *Migrant workers themselves often under-report wage theft or exploitation*

Studies have demonstrated that migrant workers themselves are wary of reporting cases of wage theft or other forms of workplace exploitation, even though they are often aware that they are being mistreated. In a 2018 survey of 2,258 migrant workers, Berg & Farbenblum found that 46 per cent of migrant workers 'will not try' to recover wages they were owed, even though they were aware that they were being underpaid.⁴⁷ Only around 10 per cent of workers on various temporary working visas attempted to recover lost wages. There are various reasons why workers who are knowingly exploited do not attempt to recover wages. Some simply are not aware of how to do so. Others feel it is a lost cause: as Berg & Farbenblum identify, 58 per cent of migrant workers who did raise a case of underpayment with the Fair Work Ombudsman never recovered any wages.⁴⁸ Working holiday makers may choose to ignore incidences of underpayment as they are only required to work for their employer for 88 days, before commencing travels elsewhere in Australia (but they do report complaints on

social media once the 88 days is complete). Workers on the Pacific Island Seasonal Worker Program may be reluctant to report underpayment as they rely on being able to return to work for the same employer in subsequent years.

3. *The 88 days rule encourages some migrant workers to tolerate exploitation for that duration*

Working Holiday Makers (WHMs) are required to work 88 days for an employer in regional and rural Australia before continuing to travel in Australia. A majority of WHMs find work in agriculture and horticulture, with some working in construction, mining and more recently, bushfire recovery after the 2019/20 bushfire season in Queensland, New South Wales, the ACT, Victoria and South Australia.⁴⁹ While the 88 day rule encourages migrant workers to provide labour to labour-intensive, seasonal industries, its nature is such that many WHMs who are being exploited simply have little to benefit from pursuing justice in the workplace. For WHMs being underpaid modestly, it might be simpler to continue working for the 88 day period and completing that requirement of the visa rather than pursuing justice through a complicated and at times expensive judicial system. They do, however, seem to have the social media skills to raise concerns after the 88 day period is complete.

4. *A lack of English language skills and understanding of workplace rights*

While many migrant workers are aware of their exploitation, others are less well informed of their rights in workplaces. This is particularly the case for newly arrived migrant workers, including Pacific Island Seasonal Workers, asylum seekers and some international students, who might have inadequate English language skills. Individuals in this situation are likely to be unfamiliar with their workplace entitlements, and equally unaware of ways to remedy cases of exploitation should they become cognizant of it.

5. *Remote locations can minimise access to justice*

For asylum seekers, WHMs and Seasonal Worker Program visa holders in particular, a majority of the available work is in regional and rural Australia. Given the scant resources of enforcement authorities and the short seasons in which many of these workers are employed, many cases of underpayment in remote locations go unnoticed and unreported.

6. *Lack of enforcement & criminal sanctions for nefarious employers*

Ultimately, the continuation of labour exploitation in Australia is exacerbated by a lack of enforcement in workplaces, both by Government agencies such as the Fair Work Ombudsman as well as trade unions, which have had their historic role in inspecting workplaces for incidences of exploitation removed by the Federal Government. The McKell Institute has identified the shortfall in inspections occurring in Australian economy, with fewer inspections per business occurring since 2009 (when the Fair Work Ombudsman was created) than under previous iterations of similar agencies.⁵⁰ But it should also be recognised that the level of additional resourcing required by the Fair Work Ombudsman may be such that this is not a cost-effective means of dealing with the issue. Greater agency within the workplace through local union representatives would be more cost-effective.

Seasonal worker program migrants are particularly at risk of exploitation

The seasonal worker program is unique in Australia's immigration system. It provides for low-skill and low-pay farm work for people mainly from Pacific Island nations. The program provides an important economic lifeline for Pacific Island nations whose citizens are able to access it. On the other hand, it locks in many young Pacific Island people into low skill and low pay work rather than enabling skills development for the 21st century.

Cases of exploitation among workers on this visa have been apparent. The visa can be for periods of up to three years but is generally for shorter periods of around nine months. Albeit off a low base, the contribution of seasonal workers to net overseas migration increased from 138 in 2017 to 714 in 2018. A key issue for this program is the risk of worker exploitation.⁵¹ The risks are highlighted by the number of people on this visa who have died while in Australia (14) and examples of exploitation as recently reported by the ABC regarding an egregious case in Northern Tasmania.⁵²

Unlike students and working holiday maker visa holders, the risks to Seasonal Workers of raising complaints about their employers are far greater. This may be leading to an under-reporting of the level of abuse.

Temporary migrant workers make up half of court cases resolving underpayment

The vulnerability of migrant workers as a result of the determinants described has resulted in this cohort of the labour market being disproportionately exposed to underpayment. While the amount of data relating to underpayments remains modest, data made available by the Fair Work Ombudsman regarding the recovery of underpaid wages demonstrates temporary migrant workers are far more likely to be underpaid than any other cohort.

Clibborn & Wright (2018) highlight that, from what data is available, it is clear that pursuing justice for temporary migrant workers disproportionately occupies the Fair Work Ombudsman:

"...temporary migrant workers were overrepresented in [Fair Work Ombudsman] figures, making up 6% of the Australian workforce but 18% of the disputes that the FWO assisted with and 49% of court cases commenced".⁵³

While economy-wide data and data on different visa categories is lacking regarding the number of individuals facing exploitation, evidence of this kind suggests that the exploitation of those on temporary visas is widespread.

Temporary entrants have limited access to social support

Immigrants have different levels of access to government services and benefits. In particular, temporary entrants have very limited access to either social support, Medicare (skilled temporary entrants and students are required to take out private health insurance), public housing, etc. While children of temporary entrants have access to government schools, in some jurisdictions this is subject to meeting relevant user charges.

Permanent migrants have access to most services once the four year wait for access to social services has expired – these are only available to Humanitarian Program entrants on arrival. The four year wait for access to social services also applies to New Zealand citizens who secure formal permanent residence. As a result, temporary entrants and skill stream migrants, particularly primary applicants,

represent a substantial net positive to the Commonwealth Budget. Humanitarian Program entrants have a negative impact in the first few years after arrival.

A joint Treasury/Home Affairs report (2018)⁵⁴ found that migrants to Australia have increasingly been young and skilled meaning they have softened the impact of Australia's ageing population, boosted labour force participation, and increased the diversity of Australia's workforce. The economic benefits that migrants have brought to Australia have unquestionably played a part in Australia's 29 years of uninterrupted growth.

However, this limited access to social support has proved a problem during the recent COVID-19 pandemic. The 2.4 million temporary visa holders living and working in Australia have been left in uncertainty as the Government's COVID-19 stimulus packages fail to include them. Following strict new travel restrictions across the world and symmetric airline sector responses of cutting back most international flights, many newly unemployed temporary visa holders are stranded in Australia with no clear path to accessing social security.

Current temporary protection regime putting lives on hold

The number of people in Australia on temporary protection visas has increased from a few hundred in 2015 to now over 16,500. Most of these people have now been in Australia for almost 10 years after having first arrived by boat. They have been recognised by Australia as genuine refugees. Keeping them on temporary protection visas in the hope that they may one day be able to return is simply putting their lives on hold for no good policy reason. Their situation should be resolved as soon as possible through the granting of appropriate permanent visas.

Temporary migrant workers require more agency and better protections

Temporary workers need to have access to support that will give them the confidence to report cases of abuse and exploitation without the fear that their voices will not be heard or that they will simply be removed from Australia by the Department of Home Affairs. While additional resources for the Fair Work Ombudsman would help, the number of temporary entrants in Australia and the range of locations in which temporary entrants work requires a more effective solution.

One approach would be to ensure temporary entrants have ready access to local and workplace union representatives who are able to represent them quickly to resolve disputes without the need to involve the Fair Work Ombudsman. Measures to strengthen the links between temporary entrants and unions should be explored.

Part 4: Temporary Migration's Impact on the Labour Market and Social Cohesion

Key Findings

1. There is little evidence that immigration as a whole places downward pressure on wages or conditions – in fact, the opposite is generally the case in Australia due to the focus on skills.
2. The emergence of a growing cohort of underpaid and vulnerable temporary migrant workers, however, does place downward pressure on wages and conditions within certain lower-skilled sectors where exploitation is rife.

Temporary migration has an important role to play in the Australian economy, helping to drive economic growth and ultimately create more job opportunities for both Australian residents and future migrants. However, there may be adverse impacts on the labour market that are associated with the emergence of a large cohort of vulnerable and at times underpaid workers. This section considers the extent to which the existing migration framework is facilitating the emergence of this cohort of poorly treated workers in the Australian labour market, and how its emergence is shaping Australia's labour market and community cohesion.

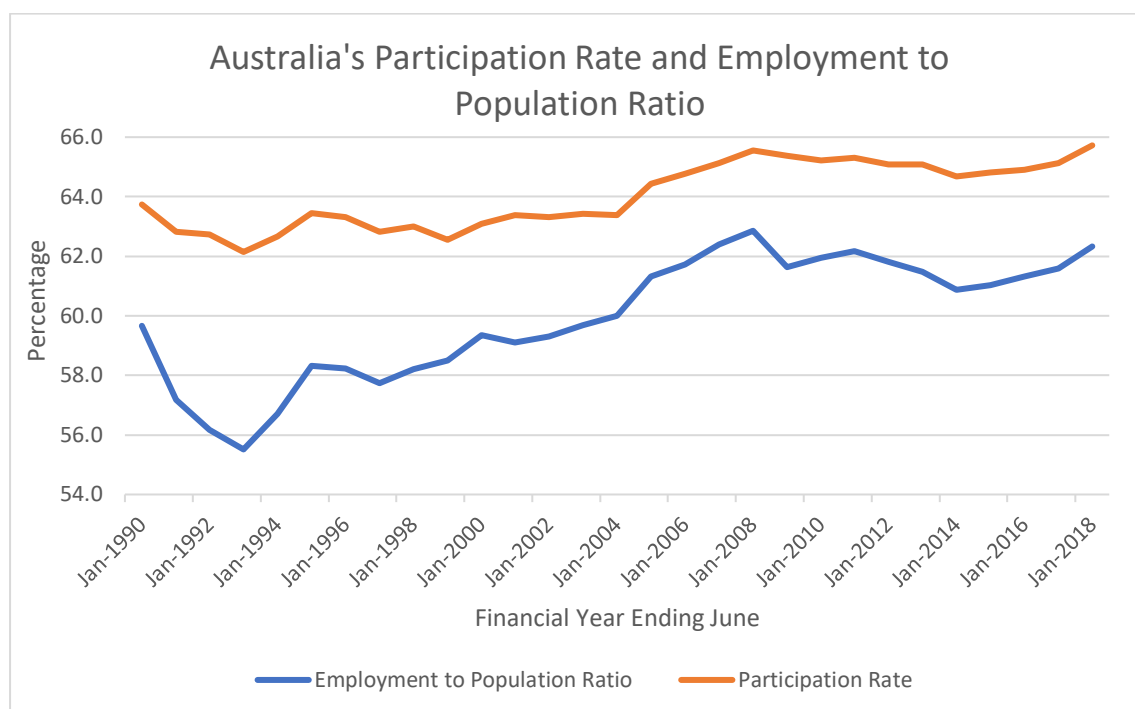
Simply cutting immigration won't create jobs

Immigrants play an important role in the Australian labour market. While some argue that a reduction in immigration would directly correlate with more job opportunities for Australian citizens and permanent residents, there is scant evidence to validate this argument. In fact, Kifle (2009)⁵⁵ finds that immigrants generally have a strong positive impact on the earnings of Australian-born workers. However, some negative and isolated labour market impacts have been observed, notably in low-skill occupations where a large number of immigrants were overqualified for the occupation and thus tended to earn more than their Australian-born counterparts.

An increase in temporary migration has positively affected participation

Figure 4.1 highlights a particularly strong increase in both the participation rate and the employment to population ratio since around the year 2000. This was around the time that the Howard Government began increasing both temporary and permanent migration.

Figure 4.1: Australia's Participation Rate and Employment to Population Ratio



Source: ABS Catalogue 6202

Cully (2011)⁵⁶ finds that between 1980 and 2000, the participation rate of the overseas born declined from around 65 per cent to around 57 per cent. But from 2000 to 2010, the participation rate of the Australian-born increased by 1.7 percentage points while that of the overseas-born increased by 3.3 percentage points. The increase in the participation rate is at odds with forecasts from the Productivity Commission (2005)⁵⁷ which predicted a decline in participation due to ageing. Cully explains this is due to the impacts of policy changes from the late 1990s onwards.

The Productivity Commission (2016) is also circumspect on the issue of displacement of locals, observing that immigration has boosted the supply of youth labour. During 2015, temporary entrants aged 15-24 years with work rights (students, working holiday makers and temporary graduates) comprised around half of the growth in Australia's youth labour force.

The Continuous Survey of Australia's Migrants (CSAM 2016) shows that between the 6 and 18 month stages of settlement, primary applicants in the Skill Stream showed an improvement in their labour market performance relative to the Australian population in general. The Productivity Commission also noted that the earnings of immigrants have generally been improving relative to Australian-born people over time and that on average, immigrants earned more per hour worked than Australian-born workers.

Stagnant wages growth in OECD countries unlikely to be caused by immigration

Wages growth across many developed economies has been subdued since the GFC, but there is limited evidence this is linked to immigration. In Germany for example, Klinger, Musayev, Natal and Weber (2019)⁵⁸ note that wages have not increased very rapidly in the last decade despite strong employment growth and a 5 per cent reduction in the unemployment rate. The paper concludes there is no evidence that large immigration flows since 2012 have dampened wage growth.

Canada has an immigration system very similar to Australia. The OECD's 2018⁵⁹ survey of the Canadian economy reports that unemployment in Canada has fallen from almost 7.5 per cent in 2010 to around 5.75 per cent in 2018. Employment growth has been strong, in line with Canada's sizeable immigration intake. Youth unemployment has fallen to 11 per cent, below the OECD average of 13 per cent while the participation rate has increased.

In the UK, former Business Minister Vince Cable said he considered nine studies of the impact of immigration on wages in the UK.⁶⁰ He found overwhelmingly, overseas workers have been complementary rather than competitive to British workers.

In Japan, a country with minimal immigration but a rapidly ageing population, real wages growth in 2019 was minus 0.9 per cent after a 0.2 per cent increase in 2018.⁶¹ Despite significant labour shortages due to a shrinking working age population and a very low level of unemployment (below 3 per cent), wages growth in Japan remains anaemic. Shirai (2019)⁶² offers two possible explanations. Firstly, Japanese firms increasingly offering part-time jobs with low wages due to worries about shrinking sales driven by unfavourable demographics. Secondly, declining productivity is holding down wage growth.

Immigration does not impact wages in high income occupations

Various studies concentrated to the Australian experience have failed to discern a correlation between immigration and stagnant wages. Breunig, Deutscher and To (2017)⁶³ find immigration flows into skill groups where wages and employment are typically high. Almost no evidence was found that outcomes for those born in Australia have been harmed by immigration. If anything, there was evidence supporting the contrary.

They also find there is less evidence of a negative effect of immigration on domestic workers when compared to similar studies in the US or the UK, but note that this could be because Australian immigration policies have been more selective. Alternatively, it could also be that collective bargaining agreements are much more important in Australia than in the US and the UK.

Kalb and Meekes (2019) find that wages growth in Australia has slowed more for younger people. Wages for those under 30 grew 3 per cent per year slower between 2009-2017 compared to 2002-2008. In low-skill occupations, particularly sales and machinery operators and drivers, wages growth decelerated significantly. Sales has gone from being an occupation with relatively high wages growth (10 per cent per year) between 2002-2008 to relatively low wages growth (only 6 per cent per year) between 2009-2017.

A lack of protections for 'low-skilled' immigrants may impact wages in 'low-skilled' industries

"Temporary migrant workers are not evenly spread throughout the workforce. Instead, they are highly concentrated in a few industries, such as food services, horticulture, construction, personal services and cleaning, where they almost invariably occupy lower-skilled jobs, either full-time or part-time."

- Ian Campbell, 2019 ⁶⁴

Daley (2019)⁶⁵ argues that the existing literature does not establish that increased immigration leads to slower wages growth. However, a substantial influx of low-skill young migrants might lead to slower wages growth for low-skill, low-experience jobs, particularly when there is a relatively high minimum wage.

The underpayment of temporary migrants, particularly students and working holiday makers, is endemic and this likely has a flow-on effect to (mainly young) Australians competing in the same labour market. Daley argues that because temporary migrants have no access to welfare, they have a stronger incentive to accept any type of work at almost any wage. Young, unemployed Australians have access to welfare, income support and even assistance in finding work, but social protections like these are not available to temporary migrant holders in Australia. This dynamic leads to a power imbalance between employee and employer, where the employer can underpay or exploit staff knowing that the risks for the employee in reporting employer malfeasance in a case of exploitation outweigh the advantages. This imbalance may also encourage employers to hire temporary migrants over Australians of similar skill level who are in a better position to bargain for work rights.

A lack of bargaining power for temporary migrants may affect conditions and wages in sectors

There is clear evidence, outlined in detail in *Part 3* of this report, that temporary migrants in Australia are regularly underpaid. There are various determinants of widespread wage theft, but a driving force is the lack of bargaining power temporary migrants have in the workplace, coupled with a lack of enforcement of minimum labour standards across Australia. Some visa conditions allow employers a unique advantage when it comes to bargaining. Limitations of the extent to which international visitors can work per week, for example, create onerous rules which are easily broken.

It is inherently challenging to disassociate individual variables such as cases of underpayment within specific firms from broader variables affecting wages and conditions across an entire industry or economy. While underpayment is undoubtedly widespread, it is one of several factors leading to stubborn wage growth within the Australian economy.

Abolition of '88 days rule' could lead to a US-style Agricultural Worker Visa if not responsibly handled

Since the early 2000s, WHM visa holders who undertake eligible work in regional Australia for 88 days have been allowed to apply for a further WHM visa. There has been a strong push to abolish the '88 days rule' for WHMs in favour of boosting the Seasonal Worker Program.⁶⁶ The evidence to support this change is flimsy. Expanding the Seasonal Worker visa would entrench the view in Australian society that the role of people from Pacific Islands is to 'pick our fruit'⁶⁷ and would require major de-regulation of the Seasonal Worker visa.

The removal of the incentive for WHMs to undertake 88 days working in the agriculture sector is also unlikely to lead to farmers significantly raising wages in order to attract more Australians to undertake seasonal farm work. The key competitors with working holiday makers for this type of work include overstayers and asylum seekers, who are at even greater risk of exploitation, or from the Seasonal Worker Program which also has a risk of exploitation and which the industry generally finds too cumbersome and too costly to be worth taking up.

Abolition of the 88 days rule might increase pressure from the Agricultural Industry for a dedicated agriculture visa such as in the USA which risks an even greater level of exploitation.⁶⁸ The H-2A US Agriculture Visa is prone to exploitation as the program structure creates a power imbalance where guest workers are bound to a single employer and their livelihoods—their visas, housing, food, and wages—are completely dependent on that employer. In recent years, workers have filed multiple lawsuits alleging some H-2A employers exploit them, steal their wages, provide substandard housing, or blackmail them into submission.⁶⁹

There is, however, strong evidence of a need for Government to take greater action to address the issue of wage theft amongst both young Australians and temporary entrants such as students and working holiday makers.^{70,71}

Diminishing pathways to citizenship can impact social cohesion

Australia is a welcoming society, but policy settings can impact positively or negatively on social cohesion. Social cohesion involves people developing a sense of common enterprise, facing shared challenges, and a feeling of community – a shared 'Australian identity'. But for workers who are in Australia for extended durations without the protections afforded to the rest of the labour market, fully participating in Australian society and contributing to the Australian economy is challenging.

Another dimension of this issue is that the Commonwealth's policies have made accessing citizenship increasingly difficult for permanent residents. This is both through lengthening processing times and proposed changes to legislation to make access to citizenship more difficult.^{72,73}

While there are concerns about the exploitation of temporary entrants, there are also negative Australian attitudes to temporary entrants due to the way political and community leaders at times refer to temporary entrants or fail to correct public commentary on this topic. Examples include negative comments about skilled temporary entrants 'taking Aussie jobs';^{74,75} or overseas students using the visa system to secure permanent migration by the 'backdoor';⁷⁶ or statements referring to Pacific Island workers as being here simply to 'pick our fruit'.⁷⁷

The issue of how Australians and their leaders publicly or privately discuss immigrants generally, and temporary entrants in particular, could represent a risk not just to social cohesion but to vital Australian industries such as tourism and international education.

Local councils both in Australia and around the world appear to be taking a leading role in promoting social cohesion. Australia's *Welcoming Cities*⁷⁸ initiative is a key example. However, it is worth considering whether state or territory governments and the Commonwealth continue to play an adequate role in this space.

A key issue is the location of the immigration function within the Home Affairs portfolio. it is worth considering whether the location of the immigration function within a portfolio focused predominantly on national security is appropriate if social cohesion is a policy priority.

Recommendations

Recommendation 1: The Government should take measures to encourage temporary entrants who are exposed to the coronavirus to self-isolate without losing income and assist temporary entrants who lose their job to return home if they do not have the financial capacity to do.

Recommendation 2: The Government should invest in adequately identifying the degree to which the exploitation and abuse of temporary entrants across all categories (i.e. students, working holiday makers; work and holiday makers; skilled temporary entrants, seasonal workers; training visa holders; temporary graduates, temporary protection visa holders) is occurring. It should:

- a. examine effectiveness of actions taken to date to address exploitation including implementation of recommendations of the Government's Migrant Worker taskforce; and
- b. identify further measures to address exploitation including:
 - i. a stronger formal role for unions to help ensure temporary workers understand their rights and how best to enforce these without the fear of being removed from Australia;
 - ii. increased resources and powers for Fair Work Australia; and
 - iii. significantly increased penalties and targeted offences for employers and labour hire companies involved in exploiting temporary and permanent workers.

Recommendation 3: The Government should develop a plan, including funding, timetables and key milestones, to address the surge in onshore asylum seekers in the past 4-5 years. This plan should:

- a. consider whether this plan is likely to be effective given the on-going increase in the backlog of asylum seekers at primary, AAT and post-AAT stages;
- b. commission research on why:
 - iv. there was a surge in asylum claims from visitors from major source countries including Malaysia, China, India, Thailand, Fiji, etc. and any links to changes in visitor visa processing arrangements such as electronic lodgement and auto-grant;
 - v. the number of removals and returns declined sharply in 2018-19 given the major increase in unsuccessful asylum seekers;
- c. implement alternative strategies to address the surge and the backlogs including:
 - vi. better targeting of offshore agents who are organising the trafficking arrangements in co-operation with relevant overseas authorities;
 - vii. increased funding of asylum seeker application processing at both the primary and AAT stages – this should use a combined last-in, first-out approach as well as clearing older cases such that traffickers can see limits to their ability to profit from these scams;
 - viii. increased funding to remove unsuccessful asylum seekers quickly after each AAT decision; and
 - ix. priority investigations into onshore agents and labour hire companies involved in these scams.

Recommendation 4: Given the low pay, low skill and low English language concessions under Designated Area Migration Agreements, the Government should implement stronger mechanisms, including Commonwealth level monitoring arrangements, to limit exploitation of temporary migrants under this visa.

Recommendation 5: The Government should develop a clearer pathway for people in Australia on Temporary Protection visas to secure permanent protection.

Recommendation 6: The Government should review reasons behind low take up of the visa that replaced the Regional Sponsored Migration Scheme (RSMS) from 16 November 2019 and the risks of exploitation of migrants on the new provisional visa.

Recommendation 7: The Government should review the low take up of the new visa replacing the former sub-class 489 state/territory government sponsored skilled migration visa making it into a five-year provisional visa with much higher performance requirements for access to permanent residence, and consider measures to address risks of these migrants being stranded at the end of the new five-year provisional visa because of the weak labour market in regional Australia.

Recommendation 8: The Government should work to clear the rapidly growing backlog of partner visas by processing these according to law and without limiting places for the spouses of Australian citizens and permanent residents as expected by Parliament. This will help reduce the growing backlog of people in Australia on bridging visas.

Recommendation 9: The Government should commission an independent review of the new temporary parent visa and the risks of this to Australia's health and aged care system particularly in terms of:

- a. acceptable private health insurance coverage for temporary parents;
- b. how governments will ensure health and care costs not covered by insurance are met by sponsors;
- c. how governments will ensure temporary parents maintain private health insurance for the full duration of their stay;
- d. how temporary parents who are too ill to travel will be managed at the end of their five year stay;
- e. funding allocated to monitor and manage temporary parent visa holders.

Recommendation 10: The Government should review the merits of the visa design changes made to employer sponsored visas in 2017-18, with a focus on:

- a. considering recommendations of previous reviews of these categories to ensure Australia's visa arrangements for these categories are internationally competitive such as:
 - a higher and indexed minimum salary that must be paid in taxable income;
 - the value of labour market testing once a stronger minimum salary requirement is in place – particularly given the very low unemployment rate amongst highly skilled Australians and the size of contribution made

by employers of these workers to the Skilling Australia Fund and the positive impact of skilled temporary entrants on the Budget;

- the length of the minimum skilled work experience requirement; and
- more efficient means of implementing the police and health check requirements.

Recommendation 11: The Government should explore measures to better address exploitation of WHMs (e.g. stronger role for unions) without impacting negatively on the agriculture and tourism industries. These measures should include an abolition of special taxes on WHMs, and consider aligning taxes on WHMs with those applying to Australian residents.

Recommendation 12: The Government should commission an independent review of the quality of education delivered to international students across all sectors and take measures to protect the reputation of the international education industry.

Conclusion

Temporary migration has grown in Australia considerably since the turn of the century. There are now over 2.4 million individuals in Australia living or working on temporary visas, fundamentally shaping Australian society and the Australian economy. The presence and contributions of all migrants within Australia are to be celebrated.

This report has outlined the nature of temporary migration in Australia, highlighted vulnerability of temporary entrants in certain visa categories to exploitation.

If we want Australia to continue to be a modern economy that is competitive on the global stage, we need to ensure we have the right immigration policy settings in place so that Australia and Australian citizens are net beneficiaries from the rapid people movement that will characterise the world in the 21st century.

That includes ensuring temporary entrants are not exploited but made to feel welcome. This report has highlighted some of the inadequacies of our current arrangements, including the high prevalence of wage theft among new arrivals, and demonstrated that pathways to permanent residents are opaque, uncertain and unnecessarily complex.

Our formal migration program could not be delivered at current levels without a substantial feeder cohort of temporary entrants, but the Government needs to ensure sensible and clear pathways to permanent residence for temporary entrants who meet Australia's needs. This is essential to not only deliver fairness to those who travel to live and work in Australia, but also in living up to Australia's promise as a land of the fair go for all who live here.

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