



**A Submission to the Senate Select Committee on Temporary Migration**

**Prof Peter McDonald and Dr Helen Moyle  
The University of Melbourne and The Australian National University  
ARC Centre of Excellence in Population Ageing Research**

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## PART 1: Submission and discussion of policy issues

### 1. Tourists and New Zealand citizens are not temporary migrants

On 30 September 2019, there were 2,330,000 persons in Australia on a temporary visa. Of these, 350,000 were tourists or others on short-term visas. Persons on short-term visas do not have work rights. Another 685,000 were New Zealand citizens who are not 'temporary' because, under a long-standing agreement between the two countries, they are permitted to stay in Australia permanently. The number of New Zealand citizens in Australia has been almost constant since 2012. An investigation of the employment of temporary migrants should be focussed upon the remaining temporary visa categories numbering 1,295,000 temporary entrants, among whom, 92,000 are children under the age of 15 years.

The presence of temporary entrants in Australia needs to be balanced off against the large number of Australians living in other countries not as permanent residents.

### 2. Categories of temporary entrants

Temporary entrants cannot sensibly be considered as a single, amorphous group of 'temporaries'. The visa categories into which they divide are very, very different from each other. If the concern is with increasing numbers, then only two of the five broad visa categories shown in Table 1 (Students/Graduates and Bridging) matter. From 2014 to 2019, Students and Graduates accounted for 81% of the net increase of all temporary entrants in Australia. However, falling numbers also have policy implications and this is taken up in Policy Issue 1 below.

**Table 1. Temporary entrants in Australia at 30 September, by visa category, 2014 and 2019**

Visa Category	2014 (‘000s)	2019 (‘000s)	5-Year Change (‘000s)
Students and Graduates	410	729	319
Temporary Skilled Workers	196	139	-57
Working Holiday Makers	166	135	-31
Bridging Visa	95	229	134
Other	34	63	29
<b>TOTAL</b>	<b>901</b>	<b>1,295</b>	<b>394</b>

Source: DOHA 2020

### 3. There is nothing more permanent than a temporary migrant

For Australia, this statement is **false**. At the 2016 Census, 84% of all temporary entrants in Australia (excluding visitors and New Zealand citizens) had been in Australia for less than five years. Temporary visas have a limited time frame. To remain in Australia on a longer-term basis, a person must become a permanent resident or switch to another temporary visa. There are considerable disincentives to taking up a new temporary visa as the process is expensive and bureaucratic. However, longer durations will ensue in future years as more international students upon graduation become eligible for and take up the Graduate visa. The numbers on the Graduate visa increased from 22,000 in 2014 to 95,000 in 2019.

#### 4. Location of temporary entrants

At the 2016 Census, 80.4% of all temporary entrants were in the greater metropolitan areas of Sydney (33.6%), Melbourne (28.0%), Brisbane (9.6%) and Perth (9.2%). Temporary entrants are also heavily concentrated within the metropolitan cities. In the City of Melbourne LGA, for example, temporary residents constituted 40% of the total population at the 2016 Census and a remarkable 75% of women aged 20-24.

#### 5. Only just over half of temporary entrants are employed

Excluding children aged less than 15, at the 2016 Census, 501,000 (55.6%) temporary entrants were employed. Updating this number to 2019 based on 2016 employment patterns, it can be estimated that 657,000 temporary entrants were employed at 30 September 2019, constituting 5% of total employment in Australia. Of this total, 286,000 were working full-time, constituting 3.2% of total full-time employment in Australia. Table 2 provides summary statistics on the employment of temporary entrants.

**Table 2. Employment of temporary entrants aged 15 and over by visa category, 2016 Census**

Measure	Bridging Visa	Temporary Skilled Worker	Working Holiday Maker	Student	Graduate 485, 476	Other Temporary Visa	TOTAL
Number employed	50,101	115,955	96,292	193,896	27,581	16,909	500,736
Percentage employed (%)	50.0	82.2	74.4	41.4	76.2	55.7	55.3
Unemployment rate (%)	18.2	4.0	11.3	20.1	10.7	4.9	14.1
Percentage of Employed Who Were Part-time (%)	41.1	11.7	35.9	90.7	40.6	28.3	52.6

Note. Includes both primary and secondary applicants.

Source: Derived from ABS 2019 (see Appendix for details of calculations).

There is a common view that almost all international students are employed but the table shows that only 41% of those on a Student visa were employed and the vast majority (91%) of these were employed part-time. For the two largest groups on Student visas, the percentage employed was 66% for students from India and 12% for those from China. It is also notable that high proportions in most categories of temporary visa were unemployed (based on the standard labour force definition).

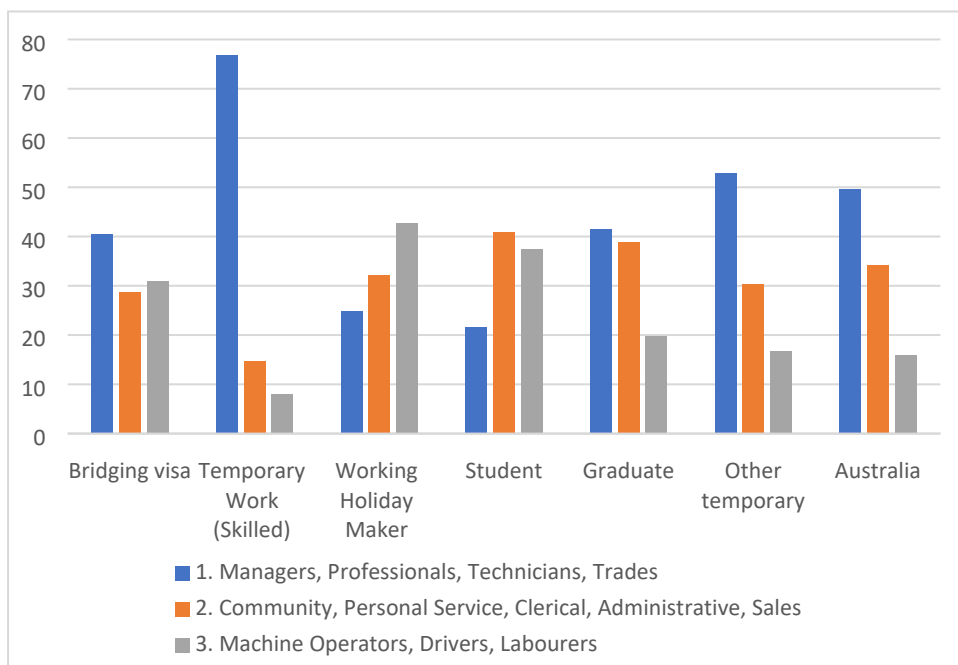
As temporary entrants make up only 3 per cent of full-time employees in Australia, it is hard to make the case that they are 'taking the jobs of Australians' who want to work full-time. This is especially the case for low-skilled occupations because most of the temporary entrants working full-time work in high-skilled occupations. The high levels of unemployment among most temporary entrant categories also suggest that finding employment is not always a simple matter for temporary entrants. However, it is still

possible that temporary entrants are heavily concentrated in certain occupations and may compete with Australians in those occupations.

## 6. Occupations of temporary entrants

Among all employed persons in Australia at the time of the 2016 Census, 50 per cent worked as managers, professionals, technicians or in skilled trades (Figure 1). These are the categories to which the Skilled Migration Program applies. Except for the Temporary Skilled category and the small 'Other' category that includes diplomats and some specialist high-skilled groups, all of the temporary visa categories have less than 50 per cent of employed persons in Tier 1 occupations and higher percentages in the Tier 3 occupations than is the case for total Australian employment.

**Figure 1. Occupational level of temporary entrants by visa category compared with total Australian employment, percentage distribution, 2016 Census**



Source: ABS 2019

While Australian policy makers like to think of migration as a skilled program, only 40% of employed temporary entrants work in the categories designated as skilled in the Skilled Migration Program.

It is important to recognise that there has been considerable structural change in employment in Australia from the 1980s onwards. Jobs in manufacturing have declined dramatically. Across the economy, computerisation and mechanisation have reduced the numbers of full-time, repetitive jobs with standard hours that required little skill.

In the past 20 years, reflecting consumer preferences, there has been massive growth in low-skilled jobs in the food and hospitality sectors, in the retail sector and in low-skilled service jobs such as cleaning, delivery and transport. Seasonal jobs in the horticulture industry can be added to this list. These newly expanding, low skilled jobs are very

frequently casual, part-time, out-of-standard hours or seasonal. As such, they require a 'flexible' workforce.

In this context, most temporary entrants divide into two broad categories that are at opposite ends of the employment spectrum:

- i. Skilled workers who work full-time with regular, standard hours. These are primarily persons on Skilled Worker visas, Graduate visas and "Other" Temporary visas.
- ii. Those who work in unskilled jobs, usually part-time, casual or seasonal, and most often with irregular and non-standard hours (nights and weekends). These are mainly Students and Working Holiday Makers, and some on Bridging visas.

In Australia, there is a pecking order in jobs that are not full-time, standard hours. The best part-time jobs especially in Clerical, Administrative and Retail occupations are taken up mainly by Australian women with school-age or preschool children working part-time in continuing, day-time jobs

Australian full-time students then occupy the next-best, part-time jobs. Often, they will be working nights and weekends and on a casual basis but not after midnight and not in 'undesirable' jobs. They are concentrated in the better hospitality jobs and in retail jobs.

The lowest tier of jobs that are not full-time and standard hours are filled heavily by temporary entrants, many working after midnight with irregular hours and in 'undesirable' jobs like cleaning, kitchenhands and service station attendants. It is very apparent that, in the past 20 years, temporary migration has underpinned the growth in 'flexible workers' in the lowest skilled occupations. The lifestyles of most Australians would be much less convenient without them. In other advanced countries, these jobs are often performed by illegal immigrants.

To provide a numerical perspective to this categorisation, in September 2019, 1.6 million Australian women aged 25-54, around 620,000 Australian full-time students aged 15-24 and 346,000 temporary entrants were employed part-time.

The detailed evidence for the above categorisation of temporary entrants is given in Tables 6-13 of Part 2 which show the specific occupations in which temporary entrants work. It is notable that, even in the occupations of highest concentration of temporary entrants, they still occupy only a minority of the jobs.

## **Policy Issues**

### **Policy Issue 1: Economic effectiveness and diversity among new Skilled Permanent residents**

During the first decade of this century, Australia developed a highly, effective two-step system in the recruitment of permanent skilled workers by which workers first entered Australia on a Temporary Skilled visa. They came from a wide diversity of countries of origin. If the temporary migrant wanted to stay in Australia and the employer was keen to continue

employing this person, the employer sponsored the Temporary Skilled worker as a Permanent Skilled worker. Academic studies (eg. Gregory 2014) have shown that this 'try before you buy' approach was highly effective in terms of employment and productivity outcomes. It also ensured that new permanent residents to Australia came from a wide diversity of countries. The 'try before you buy approach' was also effective in recruiting skilled workers to regional areas particularly in the health professions.

In contrast, those arriving from offshore through the General Skilled Migration Stream were much more likely to experience unemployment in Australia and to spend time finding suitable employment. This is still the case today. DOHA's 2017 Cohort 5 CSAM survey shows that, after six months, 15.6% of those who had come from offshore in the General Independent Skill Stream were unemployed compared with 1.7% of those in the Employer-Sponsored Stream.

Furthermore, research (Temple and McDonald 2018) has shown that 33% of applicants in the offshore Skilled Independent Stream who accepted permanent residence in Australia never counted into the Australian population because they went back to their country of origin, or somewhere else. That is, one third never worked in Australia. While there may be some nostalgia for the 1950s/1960s style of migration from offshore and while there will always be a need to recruit from offshore especially for high-level, specialist skills, overall offshore selection is much less effective than Employer Sponsored permanent residence.

The strong downward trend in the number of applicants and the number of grants of Temporary Skilled Worker visas is placing this effective recruitment system in jeopardy. In the most recent DOHA report on the Migration Program (2018-19), the number of lodgements for permanent residence in the two employer-sponsored categories was shown to have fallen by more than 50% in the two years from 2016-17 to 2018-19.

In the absence of an adequate, onshore pipeline from Temporary Skilled to Permanent Skilled, the gap is likely to be taken up by onshore applications from Students and Graduates. Almost by default, Graduates onshore will be the main future source of new Permanent Skilled applications. While this has the distinct advantage that the graduates have Australian qualifications and experience of Australian society, and there is every indication that Graduates make good settlers, those holding a Graduate visa have a more limited range of skills than is required by the Australian economy and they come from a limited range of countries compared with Temporary Skilled Workers.

### **Policy Issue 2: Do temporary entrants take the jobs of lowly-skilled Australians?**

Temporary entrants are willing to take the lowest-level, flexible jobs and, because their skill levels are generally well above what is required to do these jobs, they are well-liked by employers.

As a result of employment restructuring in Australia, since the recession of the early 1990s, an almost-constant, 12 per cent of prime, working-age Australians have been unemployed or are not in the labour force. They have been supported by social security payments. This is the most important social issue facing Australia, but it is important to recognise that it is the

result of the structural changes in employment. It is not the result of 'too many temporary migrants.' Current social security arrangements and practices in Australia are based on a past age when there was an abundance of full-time, regular, low-skilled jobs available. The new 'flexible' low-skilled jobs do not provide sufficient income or sufficient security to make it worthwhile for non-employed Australians to move off their pension or benefit. Indeed, blaming temporary migrants for this problem (curiously, Australian students are never mentioned although they also work in lower skilled jobs) moves us further away from finding a genuine solution.

Of course, there are instances where a temporary migrant gets a job that might have been taken up by an Australian citizen (eg. a bogus asylum seeker working as a labourer in construction) but these are the minority.

Low-level, flexible jobs are notoriously subject to exploitation by Australian employers and labour hire companies. It is this behaviour that must be eliminated not the temporary entrants that do the work. Australian students working in the hospitality and retail industries are just as likely to be exploited. There are strong signs that the Australian Government is now taking this issue very seriously.

### **Policy Issue 3: The pipeline of partners of Australian citizens awaiting permanent residence**

One of the main reasons for the recent surge of numbers on Bridging visas is the ever-increasing build-up of partners of Australian citizens and permanent residents who are waiting for a decision on their application for permanent residence. The pipeline of applicants awaiting a decision is now around 90,000. Fewer than 40,000 permanent residence applications are granted each year in this category, so the average waiting time has blown out to over two years. Available DOHA data do not identify how many applicants are in Australia but about half the grants are made to partners who were in Australia at the time of the grant thus we can presume that about half the 90,000 are in Australia on a Bridging visa.

This is problematic for several reasons:

1. For over a decade, the annual number of grants has been based on a formula that allocates one-third of places in the Migration Program (excluding humanitarian) to the Family Stream. As the Skilled program is capped, this effectively places a cap upon the number of grants to partners of Australian citizens each year and the cap is well below the annual demand. And so, the pipeline becomes ever larger.
2. Section 87 of the *Migration Act 1958* states that there shall be no annual limit (cap) on the number of partner visas granted. Because of this, there is an argument that successive Australian governments have been flaunting the law in this regard. The same capping approach was applied to children of Australian citizens until 2014 but the cap was removed following a recommendation of an Interdepartmental Committee led by the Department of Prime Minister and Cabinet.

3. The application fee for a partner visa is \$7,160. The 90,000 applicants in the pipeline have paid around \$630 million in fees without yet being provided with the outcome to which they are entitled by law.
4. In sharp contrast, grants of permanent residence are made immediately to the partners of new permanent residents in the Skilled Stream, and these partners pay a much lower fee (\$2,020) than partners of Australian citizens in the Family Stream. Effectively, this means that successive Australian Governments have discriminated against Australian citizens.
5. The system of making grants is not transparent. This gives rise to the accusation that well-connected Australian citizens obtain permanent residence for their partners faster than those less well-connected.
6. It is said that highly qualified Australians move to their partner's country of citizenship because of the long waiting times for partner permanent residence in Australia or, more commonly, if the Australian is living in the partner's country, there is a major disincentive to returning to Australia.
7. Finally, those partners who are resident in Australia on a Bridging visa while they await a decision are permitted to work. Research has shown that, on average, partners of Australian citizens are better qualified than Australians as a whole and equally likely to be employed (McDonald 2013). This means that the withholding of a timely grant of permanent residence to these applicants is completely pointless besides causing unnecessary hardship to Australian citizens.

#### **Policy Issue 4: Asylum seekers arriving by air**

Much of the surge of the numbers on Bridging visas is driven by people who arrive in Australia (mainly from Malaysia and China) by air on tourist visas and then claim asylum. The success rate of their applications is very low, but this is no surprise to the applicants. Their central purpose is to work in Australia while their case is being considered. The more cases there are, the longer it takes for cases to be heard and the longer they can work. This well-known, highly organised movement has the potential to grow massively. If it does, it will seriously undermine the employment prospects of low skilled Australians.

#### **References**

Australian Government, Department of the Prime Minister and Cabinet: *Report of the Interdepartmental Committee on Intercountry Adoption*, April 2014. ISBN 978-1-922098-56-6 (PDF)

Gregory, R. (2014) *The Two-Step Australian Immigration Policy and its Impact on Immigrant Employment Outcomes*, IZA Discussion Paper No. 8061.

McDonald, P. (2013) *The role of family migration in Australia's permanent migration program*. Policy Discussion Paper prepared for the Department of Immigration and Citizenship.

Temple, J and McDonald P. (2019) *Australian migration propensities by visa class: an analysis of linked administrative data*. *Journal of Population Research* 35(4): 399-416.



## PART 2: Appendix Paper providing detailed statistical evidence

### Categories of temporary visas

Temporary migration can only be understood through careful examination of the very diverse categories of which it consists. The broad categories are shown in Table 1. Because there are substantial seasonal fluctuations in the numbers of temporary entrants in Australia (low in December and June, high in March and September), the information in this report relates to September for migration statistics and August for census statistics. From the employment perspective, it is important to eliminate categories for whom the issue of ‘taking jobs from Australians’ is not a relevant issue.

#### *Visitors, crew and transit*

Tourists and other short-term visitors create jobs in related industries and the Australian Government devotes energy and funding to promote these short-term visits. However, as the Committee’s major concern is the impact that employment in Australia of persons on temporary visas has on the employment of other Australian workers, people on these short-term visas must be excluded from consideration because they are not employed in Australia.

**Table 1. Numbers of Persons in Australia on a Temporary Visa, by Visa Category, 30 September 2019**

Visa Category	Number at 30/09/2019
Visitor (tourists or other short-term visitors)	337,563
Crew and Transit	11,832
New Zealand Citizen	685,172
Student	633,816
Graduate (sub-class 485)	94,657
Temporary Skilled Worker (sub-classes 457, 482)	139,267
Other Temporary Employment Visa	42,068
Working Holiday Maker	135,124
Bridging	229,019
Temporary Protection Visa	15,936
Other Temporary	5,228
<b>TOTAL</b>	<b>2,329,682</b>

Source: DOHA 2020.

#### *New Zealand citizens*

Under a long-standing agreement between the two countries, citizens of New Zealand and Australia are entitled to live and work in each other’s countries. Based on the 2016 Census, 34% of all New Zealand citizens in Australia are children (<20), aged persons (65+) or short-term visitors. Among New Zealand citizens aged 15 and over who were **resident** in Australia

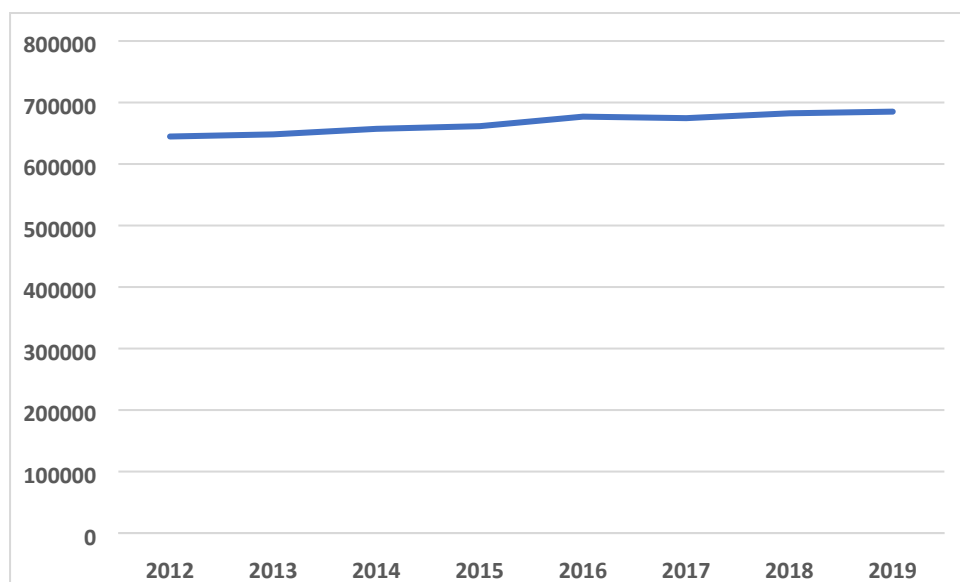
at the 2016 Census, 59% were employed, well short of the 100% that some commentators imply.

Our detailed analysis of the occupations of New Zealand citizens employed in Australia shows that New Zealanders are broadly spread across all occupations but there is some concentration in low skilled jobs: machine operators and drivers (14.2% of all employed NZ citizens compared with 6.4% of all employed Australians) and labourers (14.7% of all employed NZ citizens compared with 9.6% of all employed Australian).

Since 2012, there has been little increase in the number of New Zealand citizens present in Australia (Figure 1). The small increase that has occurred consists mainly of children born in Australia to New Zealand citizens. Movement between Australia and New Zealand is very much a function of the relative economic conditions in the two countries. The surge from New Zealand to Australia in the economic boom of the first decade of the 21<sup>st</sup> century fell to a trickle in the second decade.

Regardless of what work is done by New Zealand citizens, they cannot be regarded as ‘temporary migrants’ because they are able to remain in Australia permanently. Indeed, were it not for historical restrictions upon access to Australian citizenship for New Zealand citizens, most long-term, New Zealander citizens resident in Australia would today be joint citizens of both countries.

**Figure 1. New Zealand citizens in Australia at 30 September, 2012 to 2019.**



Source: DOHA 2020

***All other temporary visa categories***

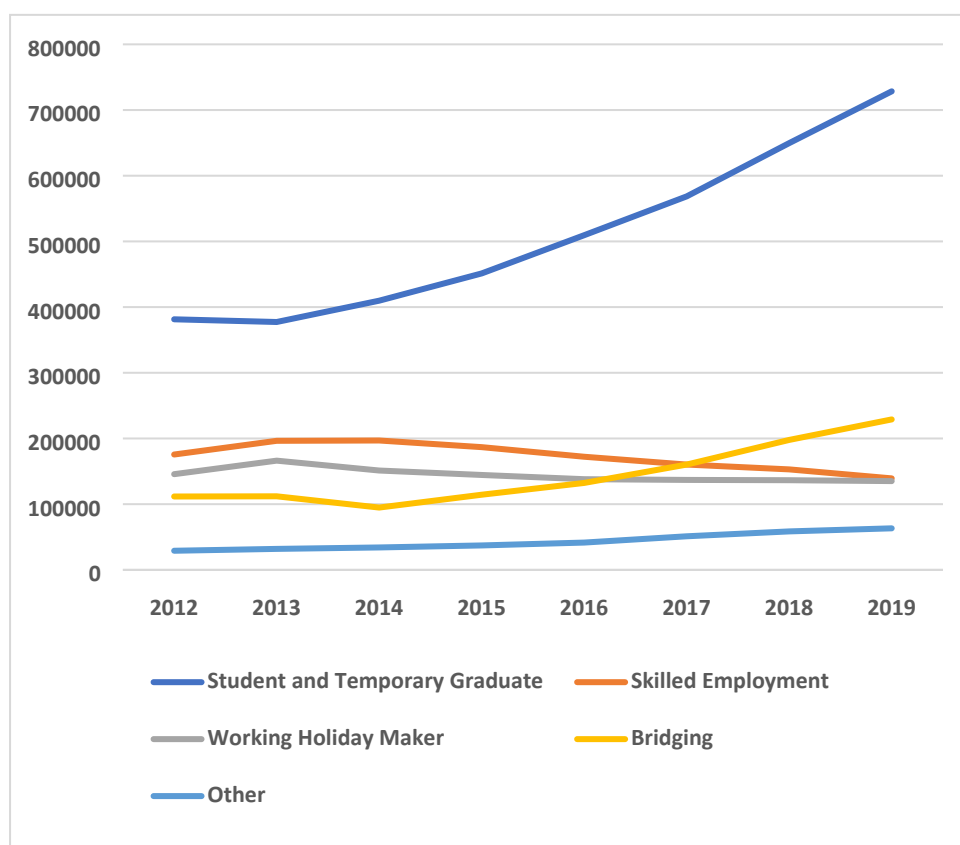
Excluding the more than one million people who were on short-term visas or were New Zealand citizens, all the other categories in Table 1 (a total of 1,295,115 persons) are

relevant for consideration within the terms of reference of the Select Committee. The remainder of this submission relates only to persons in these categories. Of these persons, 170,000 (7.3%) are secondary applicants that is, they are present in Australia because their partner or parent has been admitted to Australia as the primary applicant.

### Overview of growth in numbers present in Australia

The remaining categories in Table 1 are combined into five broad visa types in Figure 2. It is immediately apparent that growth in the numbers of persons on temporary visas from 2012 to 2019 has been dominated by students and graduates with their number increasing from 381,000 in 2012 to 728,000 in 2019. There is also strong growth (112,000 in 2012 to 229,000 in 2019) in the number on bridging visas. The numbers on Skilled Employment visas and Working Holiday Maker visas have fallen. Students and graduates made up 77% of the total growth of the five visa types combined from 2012 to 2019.

**Figure 2. Numbers of persons in Australia on a temporary visa, by visa category 30 September, 2012 to 2019**



Source: DOHA 2020.

### Data sources on temporary entrants

There are two types of data relating to temporary entrants: stock data (those present in Australia at a given point in time) and flow data (arrivals and departures from Australia). To

this point, we have used Department of Home Affairs stock data on the numbers present in Australia according to visa category. However, these data do not distinguish which persons on temporary visas are considered by the Australian Bureau of Statistics to be **residents** of Australia. Since 2006, to be defined as a resident of Australia, a person must spend 12 out of any given 16-month period in Australia. ABS migration flow statistics that define the headline figure, Net Overseas Migration, relate only to movements of **residents** of Australia thus defined. Since the very sensible change of definition in 2006, it has become much more likely that international students and temporary skilled workers are included in Net Overseas Migration and, hence, counted as residents of Australia.

The objective of the Inquiry is to examine the employment behaviour of temporary migrants. To do this, we require stock data that include employment characteristics. While such data may be obtained from surveys, surveys tend to have small samples and, hence, large sample variation. For the first time in Australia, the Australian Bureau of Statistics has produced a datafile from the 2016 Census that identifies temporary entrants and the type of visa that they hold and matches that information with the information they have provided in the census. As the census includes very detailed employment information, this is an ideal source of information for this Senate Inquiry.

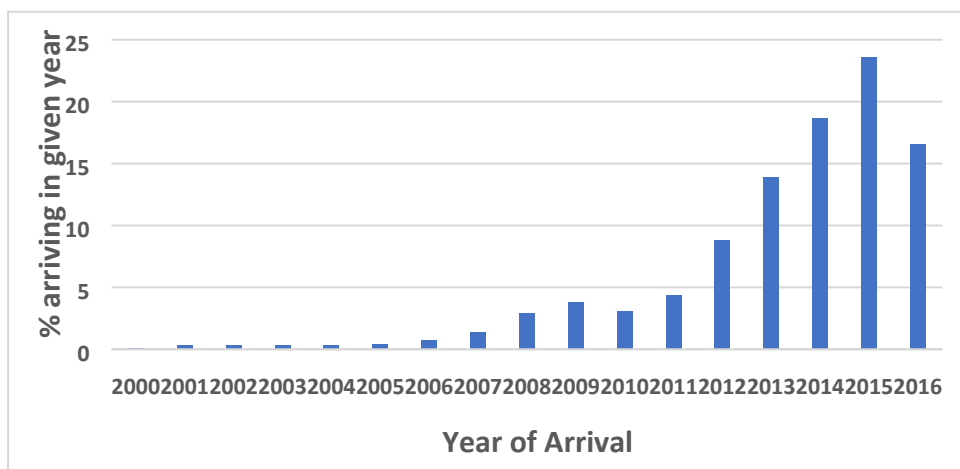
### **Selected characteristics of temporary entrants**

Before turning to employment issues, as background, we provide some information from the 2016 Census on the characteristics of temporary entrants in Australia at the time of the census.

#### ***Duration of residence in Australia***

The statement that there is nothing more permanent than a temporary migrant is patently false in respect of Australia. At the time of the 2016 Census, 84 per cent of all temporary entrants (excluding visitors and New Zealand citizens) had been in Australia for less than five years (Figure 3). Temporary visas have a limited time frame. To remain in Australia on a longer-term basis, a person must become a permanent resident or switch to another temporary visa. There are disincentives to taking up a new temporary visa as the process is expensive and bureaucratic. While some are very persistent in their attempts to stay permanently in Australia, this group has been a relatively small component of the total. However, longer durations will ensue in future years as more graduating students take up the Graduate visa but, at present, that visa does not provide sufficient years of experience to gain points for a permanent residence application.

**Figure 3. Year of arrival in Australia of temporary entrants, percentage distribution, 2016 Census**

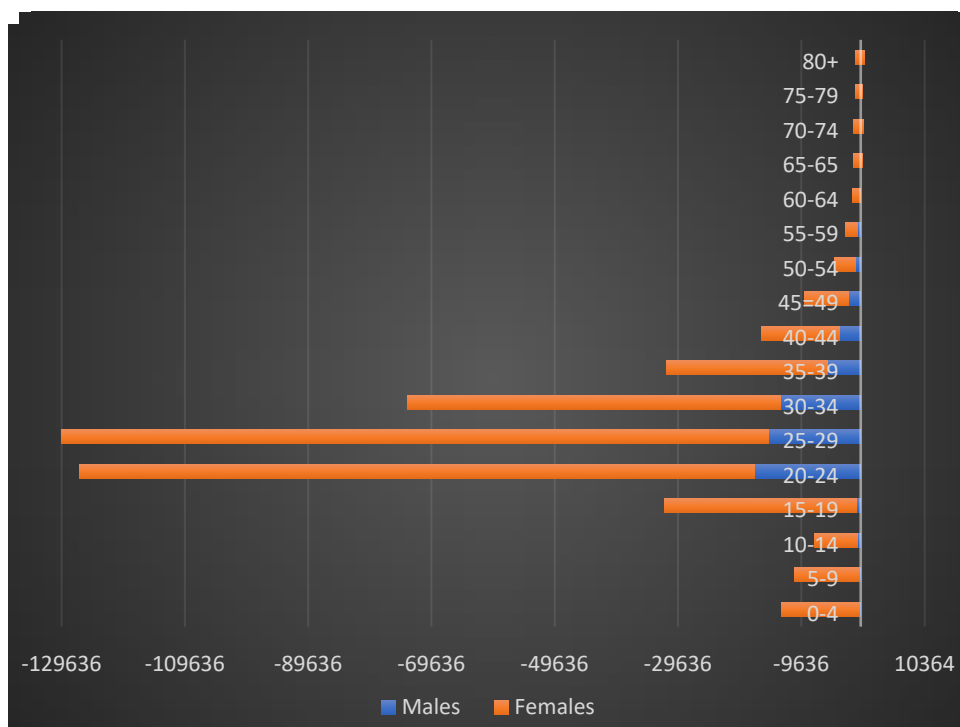


Note. Excludes short-term visitor visas and New Zealand citizens  
Source: ABS 2019.

**Age and sex distribution**

Temporary entrants in Australia, not unexpectedly given the high percentage of students, are very young (Figure 4) which is another indicator of the temporary nature of their status – very few grow old. There is a reasonable balance of the sexes (53% male; 47% female). The number of women exceeds the number of men only among Working Holiday Makers.

**Figure 4. Age-sex pyramid of numbers of temporary entrants in Australia, 2016 Census**



Note. Excludes short-term visitor visas and New Zealand citizens  
Source: ABS 2019.

### Location

The location data shown in Table 2 cover all temporary entrants who were **residents** of Australia at the time of the census, that is, at the census, they stated that they intended to stay in Australia for 12 months or more.

For all visa categories, the highest percentage was resident in Sydney, and Sydney and Melbourne accounted for 62% of all temporary residents. Only 12% were resident outside of the capital cities. There were also areas of strong concentration of temporary residents within Sydney and Melbourne as shown in Table 3, with the central city LGA standing out. In the LGA of Melbourne, 40 per cent of the resident population were temporary residents and, for women aged 20-24, this percentage rose to a remarkable 75 per cent.

**Table 2. Location of temporary residents of Australia by visa type, 2016 Census**

	<b>Bridging Visa</b>	<b>Temporary Work (Skilled)</b>	<b>Working Holiday Maker</b>	<b>Student</b>	<b>Other Temporary Visa (a)</b>	<b>Total</b>
<b>Greater Sydney</b>	32.9	36.2	27.3	34.1	31.3	<b>33.6</b>
<b>Rest of NSW</b>	3.5	3.4	5.1	2.6	2.5	<b>3.1</b>
<b>Greater Melbourne</b>	28.9	23.8	17.9	30.8	29.1	<b>28.0</b>
<b>Rest of Vic.</b>	2.7	1.8	3.3	0.9	1.4	<b>1.6</b>
<b>Greater Brisbane</b>	8.0	8.4	11.9	10.3	8.6	<b>9.6</b>
<b>Rest of Qld</b>	5.2	5.6	13.3	3.7	5.5	<b>5.2</b>
<b>Greater Adelaide</b>	4.2	2.4	2.0	5.5	4.0	<b>4.3</b>
<b>Rest of SA</b>	0.6	0.7	1.4	0	0.3	<b>0.4</b>
<b>Greater Perth</b>	9.9	12.1	10.2	7.8	8.8	<b>9.2</b>
<b>Rest of WA</b>	1.1	2.1	3.6	0.1	1.1	<b>1.0</b>
<b>Greater Hobart</b>	0.4	0.2	0.3	0.7	0.6	<b>0.5</b>
<b>Rest of Tas.</b>	0.2	0.3	0.5	0.3	0.2	<b>0.3</b>
<b>Greater Darwin</b>	0.7	1.4	1.5	0.5	0.7	<b>0.8</b>
<b>Rest of NT</b>	0.2	0.3	0.9	0	0.8	<b>0.2</b>
<b>Australian Capital Territory</b>	1.4	1.4	0.8	2.6	5.0	<b>2.2</b>
<b>AUSTRALIA</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

(a). Includes the Graduate Visa (subclass 485).

Source: ABS 2019.

**Table 3. Concentrations of temporary residents in Sydney and Melbourne, LGAs with 10 per cent or more of the population being temporary residents, 2016 Census**

Temporary Residents as a Percentage of Total Residents			
LGA (Sydney)	%	LGA (Melbourne)	%
Botany Bay	12.6	Greater Dandenong	12.5
Burwood	21.5	Maribyrnong	12.3
Canada Bay	10.7	Melbourne	39.5
Cumberland	12.4	Monash	12.2
Georges River	10.3	Port Phillip	11.8
North Sydney	10.6	Stonnington	11.6
Parramatta	10.7	Yarra	10.0
Strathfield	16.9		
Sydney	29.0		
Waverly	14.9		
Willoughby	10.9		

***Region of citizenship***

Two-thirds of all temporary residents are citizens of Asian countries. This percentage is highest for Students at 79% and lowest for Temporary Skilled Workers at 52%. These distributions have an important implication for the regional composition of skilled permanent residents of Australia. A majority (56% in 2018-19) of Australia’s permanent skilled migrants are recruited from among temporary residents already onshore. The substantial shift in composition of temporary residents from the Temporary Skilled category (with a diverse range of citizenships) to the Student and Graduate categories (with a narrow range of citizenships) has meant that the pool of potential on-shore applicants for permanent residence is largely made up of a relatively narrow range of Asian countries.

Those on Bridging visas consist overwhelmingly of persons awaiting an outcome of an application for permanent residence in Australia. Unfortunately, the Department of Home Affairs does not provide a breakdown of those on bridging visas into persons applying for Skilled, Family or Humanitarian visa applications. As this is important knowledge, the Senate Enquiry may be able to obtain it.

**Table 4. Percentage distribution by region of citizenship for each visa category, 2016 Census**

Region of Citizenship	Bridging visa	Temporary Work (Skilled)	Working Holiday Maker	Student	Other Temporary visa (a)	TOTAL
Pacific Islands	2.0	0.5	0	0.6	4.3	0.9
United Kingdom and Ireland	7.7	20.8	24.4	1.1	7.9	8.9
Western and Northern Europe	2.6	6.2	20.0	2.3	4.1	5.6
Southern and Southeastern Europe	2.9	4.6	7.3	2.3	2.0	3.4
Eastern Europe	1.4	1.8	0.8	1.1	1.4	1.3
North, Central and West Africa	1.9	0.6	0	0.8	0.8	0.8
Southern and Eastern Africa	2.9	3.3	0	1.6	2.6	1.9
Middle East (incl Iran)	11.6	1.4	0.1	3.7	2.4	3.6
Northeast Asia	15.8	13.2	39.2	36.6	26.1	29.7
Southern and Central Asia	28.5	27.7	0	21.9	26.9	21.1
Southeast Asia	15.9	11.4	1.1	20.3	13.7	15.2
North America	3.3	5.7	5.6	1.9	5.5	3.5
Latin America and Caribbean	3.6	2.9	1.7	5.9	2.2	4.3
<b>TOTAL</b>	100	100	100	100	100	100

(a) Includes the Graduate Visa (subclass 485).

Source: ABS 2019

## Employment of temporary entrants

### *Data description*

The following analysis of the employment of temporary migrants is based on the 2016 Census file that matches the census records of individuals to their visa records held by the Department of Home Affairs. The numbers by visa category in the matched census data file are very close to the numbers in the DOHA stock data for September 2016 as shown in Figure 2 making this a highly reliable source of information.

There is one problem that needs to be addressed. In the census, employment data are not collected for persons classified by the census as 'overseas visitors'. Excluding those on a Visitor visa and New Zealand citizens, there were 104,000 persons on temporary visas (almost all having a right to work except for children aged less than 15) who were classified in the census as 'overseas visitors' and for whom no employment information was available.

For the labour force data that follow in the next section, persons for whom no labour force information was available (either not stated or overseas visitor) were allocated according to the distribution of the large majority for whom labour force status was provided. This was done on a pro rata basis within visa category. Thus, the following data on labour force status refer to all temporary entrants aged 15 and over irrespective of their duration of residence in Australia.



## **Employment**

After the adjustments described in the previous section, the total number of adult temporary entrants (persons aged 15 and over) who were employed at the time of the 2016 Census was 500,736 (Table 5). This means that 55.3% of all adult temporary entrants were employed, well below the 100% often ascribed to the group. Employed temporary entrants constituted 4.2% of all persons employed in Australia at 30 September 2016.

The percentages employed varied substantially across the visa categories ranging from 82% for those on Temporary Skilled Worker visas (including secondary applicants) to 41.4% for Students. For the two largest groups on Student visas, the percentage employed was 65.9% for students from India and 11.5% for those from China.

The rates of unemployment (labour force definition) were relatively high for all visa categories except for those on Temporary Skilled Worker visas.

Among the employed students, 90.7% worked part-time. Because of the large number of students in the total, over 50 per cent of all employed temporary entrants worked part-time. The number of temporary entrants working full-time was 237,000, that is, 2.9% of all full-time workers in Australia at 30 September 2016.

Except for Working Holiday Makers, all other visa categories shown in Table 5 have both Primary and Secondary Applicants. As children under 15 years are excluded from this analysis, Secondary Applicants are almost entirely partners of the Primary Applicants. As expected, Primary Applicants in the Temporary Skilled subclass are almost all employed but only just over 50 per cent of their partners are employed. On the other hand, the partners of Students are much more likely to be employed (69.1%) than the Students themselves (38.6%).

If it is assumed that the 2016 employment rates for each visa category remained unchanged, the number of employed temporary entrants as at 30 September 2019 can be estimated at 657,000, or 5% of total Australian employment. Of this total, 286,000 would have been working full-time (3.2% of all Australian full-time workers).

**Table 5. Employment of temporary entrants aged 15 and over by visa category, 2016  
Census**

Measure	Bridging Visa	Temporary Skilled Worker	Working Holiday Maker	Student	Graduate 485, 476	Other Temporary Visa	TOTAL
Number employed	50101	115955	96292	193896	27581	16909	500736
Percentage employed (%)	50.0	82.2	74.4	41.4	76.2	55.7	55.3
Unemployment rate (%)	18.2	4.0	11.3	20.1	10.7	4.9	14.1
Percentage of employed who were part-time (%)	41.1	11.7	35.9	90.7	40.6	28.3	52.6
Percentage employed:							
Primary	50.0	96.6	na	38.6	80.0	59.4	53.7
Secondary	39.1	54.4	na	69.1	73.0	56.7	60.2

Note. Calculations exclude children aged under 15 years.

Source: Derived from ABS 2019 (see section: data description).

## Occupations of temporary entrants

### *Overview of occupation levels*

An overview comparing the broad, occupation levels (referred to as Tiers) of all temporary visa categories with the total Australian workforce is shown in Figure 5.

Because of the mix of persons on Bridging visas, the spread across occupation levels is wide but, on average, the levels are lower than the Australian levels with the percentage in Tier 3 occupations being twice that of Australia as a whole.

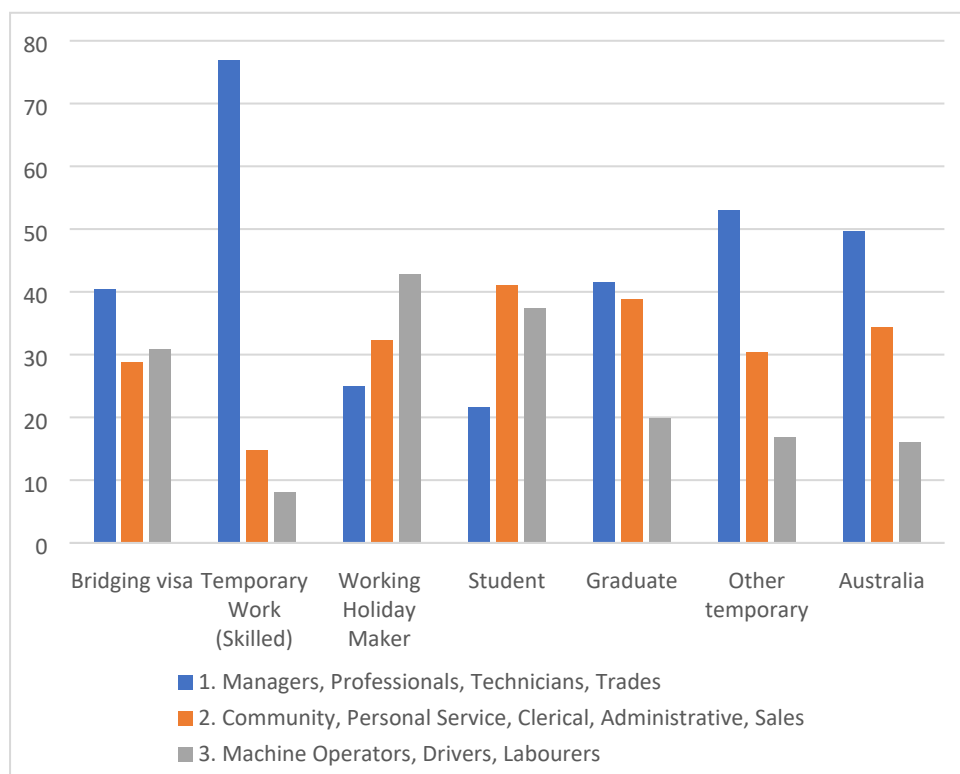
Because of the selection process, it is not unexpected that almost 80% of Temporary Skilled Workers (primary and secondary applicants combined) are in Tier 1 occupations. This compares with 50% for Australia.

While Working Holiday Makers are often well educated, their employment is most likely to be in the Tier 3 occupations. A similar situation applies to Students; they are well-educated but work in lower level jobs, but more often than Working Holiday Makers in Tier 2 occupations. The difference between the Working Holiday Makers and Students is due to heavy engagement of Working Holiday Makers in Tier 3 jobs in horticulture.

The aim of the 485 visa is to enable Graduates to find work in a Tier 1 occupation not only because of their qualification but also because of the pathway to permanent residence that employment in a Tier 1 occupation provides. In 2016, only 42 per cent were employed in a Tier 1 occupation but this includes secondary applicants.

The Other Temporary category covers a range of small, visa subclasses, many of which, at the 2016 Census, related to high-skilled workers including diplomats and other special categories of long-stay temporary workers who were not on a 457 visa. Hence, their percentage in Tier 1 occupations is a little higher than that for Australia as a whole.

**Figure 5. Occupational level (Tiers) of temporary entrants by visa category compared with total Australian employment, percentage distribution, 2016 Census**



Source: ABS 2019

### **Detailed occupations**

Occupations of temporary entrants are examined in detail in Tables 6 to 13. Each of these tables examines employment in one of the eight ANZSCO Major Groups. There are two sections to each table. The first shows all the percentages that temporary visa holders represent of total Australian employment, by sex, in the Sub-Major Groups into which the Major Group is divided. The second part of each table shows the same statistics but for Unit Group occupations in which at least 5% of total employment, by sex, was held by temporary residents. Unit Groups are effectively actual occupations rather than groupings of occupations. It is proposed that where less than 5% of employment in an occupation category is made up of temporary entrants, it is very unlikely that the temporary entrants make it difficult for Australians to find work in this occupation. Each line in the table also shows the visa category that was most numerous in the given occupation.

For example, the first line in Table 6 shows that temporary entrants made up 1.8% of total male employment in Australia and 1.4% of total female employment in the Sub-Major

category: Chief Executives, General Managers and Legislators. The largest visa category among Chief Executives, General Managers and Legislators were those holding a Skilled Worker visa. At the Unit Group level, only in one occupation, Café and Restaurant Managers, did temporary entrants represent more than 5% of total male employment in this occupation. Again, the largest visa category was Temporary Skilled Workers.

### ***Managerial occupations (Table 6)***

Overall only 2.6% of employment in this Major Group was held by temporary entrants. At 4.1% of total Australian employment in the Sub-Major Group, the largest was for men working as Hospitality, Retail and Service Managers, reflecting the high percentages (13.2% for men and 9.7% for women) that temporary entrants represented of total male and female employment among Café and Restaurant Managers.

Interestingly, among around 10,000 women managing Crop Farming in Australia, 5.5% were Working Holiday Makers.

### ***Professional occupations (Table 7)***

Among all professionals, temporary entrants made up 3.7% of male employment and 2.5% of female employment. However, ACT professionals, temporary entrants made up 7.1% of male and 6.5% of female employment.

At the lower, Unit Group level, there were 17 occupations where temporary entrants made up more than 5% of total employment for either men or women, or both. For all 17, the largest visa category, as expected, was the Skilled Worker category. There was a relatively wide range of occupations among these seventeen but the highest levels of employment of temporary entrants were in the ICT occupations: Software and Applications Programmers; Multimedia Specialists and Web Developers; and ICT Support and Test Engineers. The relatively high percentages for Life Scientists probably reflect the global nature of recruitment to universities.

### ***Technicians and Trades (Table 8)***

Among the Sub-Major Group occupations, Food Trade Workers stand out above all others with employment of temporary entrants standing at 20.5% of all Australian employment for men and 14.8% for women. This was due to the high percentages employed as Chefs and Cooks. Over a third of all male cooks employed in Australia are temporary entrants, mainly Students. This concentration of temporary entrants in the Food Trades is not new and reflects considerable growth in employment in these occupations and the range of world cuisines that are encompassed.

Surprisingly, temporary entrants mainly on Bridging visas made up relatively high percentages of Australia's painters, plasterers and wall and floor tilers. This is probably worthy of further investigation.

### ***Community and Personal Service (Table 9)***

Once more reflecting the rapid growth of eating out and tourism, temporary entrants represent 16.3% of men and 14.4% of women employed in the Hospitality occupations including Waiters, Hotel Service Managers, Café Workers and Bar Attendants and Baristas. Students are the largest visa category in these occupations although Working Holiday Makers are also prominent. Australian students are also prominent in these occupations.

The other main occupations that are prominent for temporary entrants are categories of care workers, another field that is growing rapidly.

#### ***Clerical and Administrative (Table 10)***

Part-time work in the Clerical and Administrative occupations is dominated by Australian women. Temporary entrants have little presence in these occupations.

#### ***Sales (Table 11)***

Temporary entrants are relatively prominent among Sales workers, especially males at 10% of total Sales Support Workers in Australia. The stand-out occupation is male Service Station Attendants of whom 26.9% were temporary entrants. Students predominated among temporary entrants in this Major Group but, for Telemarketers, Street Vendors and Visual Merchandisers, Working Holiday Makers were the most prominent. Skilled Workers were prominent among Retail and Wool Buyers, an occupation that might have been classified as professional.

#### ***Machinery Operators and Drivers (Table 12)***

Temporary entrants were not prominent among Machine Operators and Drivers except for men who were employed as Automobile Drivers (taxis, 11.2%) and Delivery Drivers (14.4%). With the surge in on-line purchasing including home delivery of restaurant food, the demand for Delivery Drivers has been strong and Students have contributed to meeting that demand.

#### ***Labourers (Table 13)***

Temporary entrants are prominent in several labouring occupations representing around 10% of all Labourers in Australia. The two Sub-Major Groups that stood out for men were Students working as Cleaners and Laundry Workers and Food Preparation Assistants. Around one quarter of all men working as Commercial Cleaners, Crop Farm Workers and Kitchen Hands were temporary entrants. Fully 40% of women working as Crop Farm Workers were temporary entrants (Working Holiday Makers).

It is well known that crop farmers in Australia are eager to employ Working Holiday Makers in seasonal work. The decline in the number of Working Holiday Makers in Australia in recent years is almost certainly related to the abortive attempt to subject them to discriminatory tax arrangements, and perhaps also to the levels of exploitation that are experienced in this industry. Some of this decline in numbers has been compensated by the

Pacific Labour Scheme but the Australia Government is in the process of expanding the caps for some countries on Work and Holiday visas, such as Indonesia.

Under Labour Agreements, a high percentage of Meat Workers are also temporary entrants with Skilled Worker visas. At the time of the Inquiry into the Integrity of the 457 visa, both employers and unions in the meat industry were happy with the involvement of temporary visa holders in their industry.

**Table 6. Managerial Occupations in Australia: Percentage of Australian job holders who were Temporary visa holders, by sex, 2016 Census.**

Managerial Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 4 Categories)</b>			
Chief Executives, General Managers and Legislators	Skilled	1.8	1.4
Farmers and Farm Managers	WHM	1.7	2.4
Specialist Managers	Skilled	2.3	2.1
Hospitality, Retail and Service Managers	Skilled	4.1	3.6
<b>ALL MANAGERS</b>	<b>Skilled</b>	<b>2.6</b>	<b>2.6</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Cafe and Restaurant Managers	Skilled	13.2	9.7
Crop Farmers	WHM		5.5

Note. Excludes occupations not specifically described and "Other".

**Table 7. Professional Occupations in Australia: Percentage of job holders who were Temporary visa holders, by sex, 2016 Census.**

Professional Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 7 Categories)</b>			
Arts and Media	Skilled	2.4	2.5
Business, Human Resource and Marketing	Skilled	3.4	3.8
Design, Engineering, Science and Transport	Skilled	3.3	4.1
Education	Student	2.4	1.4
Health	Skilled	3.4	1.9
ICT	Skilled	7.1	6.5
Legal, Social and Welfare	Skilled	1.6	1.2
<b>ALL PROFESSIONALS</b>	<b>Skilled</b>	<b>3.7</b>	<b>2.5</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Accountants	Skilled	5.0	
Mining Engineers	Skilled	6.1	5.9
Geologists, Geophysicists and Hydrogeologists	Skilled	5.0	5.4
Life Scientists	Skilled	7.1	6.6
Medical Laboratory Scientists	Skilled	5.8	
General Practitioners and Resident Medical Officers	Skilled	6.8	5.1
Psychiatrists	Skilled	5.5	
ICT Business and Systems Analysts	Skilled	6.9	
Multimedia Specialists and Web Developers	Skilled	9.0	9.4
Software and Applications Programmers	Skilled	10.0	10.1
ICT Support and Test Engineers	Skilled	7.2	6.4
Advertising and Marketing Professionals	Skilled		7.3
ICT Sales Professionals	Skilled		6.5
Architects and Landscape Architects	Skilled		6.9
Graphic and Web Designers, and Illustrators	Skilled		5.0
Industrial, Mechanical and Production Engineers	Skilled		5.4
Chemists, and Food and Wine Scientists	Skilled		5.9

Note. Excludes occupations not specifically described and "Other".

**Table 8. Technicians and Trades Occupations in Australia: Percentage of job holders who were Temporary visa holders, by sex, 2016 Census.**

Technicians and Trades Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 6 Categories)</b>			
Engineering, ICT and Science Technicians	Skilled	2.6	2.6
Automotive and Engineering Trades	Skilled	2.3	1.8
Construction Trades	Skilled	3.6	6.1
Electrotechnology and Telecommunications	Skilled	1.5	2.4
Food Trades Workers	Student	20.5	14.8
Skilled Animal and Horticultural	Skilled	1.8	1.8
<b>ALL TECHNICIANS &amp; TRADES OCCUPATIONS</b>		<b>4.2</b>	<b>5.5</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Painting Trades	Bridging	5.9	6.7
Plasterers	Bridging	5.2	8.3
Wall and Floor Tilers	Bridging	11.5	11.8
Bakers and Pastry Cooks	Student	11.6	14.9
Chefs	Student	22.4	16.9
Cooks	Student	34.7	13.2

Note. Excludes occupations not specifically described and "Other".



**Table 9. Community and Personal Service Occupations in Australia: Percentage of Australian job holders who were Temporary visa holders, by sex, 2016 Census.**

Community and Personal Service Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 5 Categories)</b>			
Health and Welfare Support Workers	Student	3.2	3.7
Carers and Aides	Student	6.8	3.9
Hospitality Workers	Student	16.3	14.4
Protective Service Workers	Student	1.9	0.3
Sports and Personal Service Workers	Student	4.0	4.7
<b>ALL COMMUNITY &amp; PERSONAL SERVICE</b>	<b>Student</b>	<b>6.5</b>	<b>6.0</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Aged and Disabled Carers	Student	6.7	
Dental Assistants	Student	14.9	
Nursing Support and Personal Care Workers	Student	9.8	8.8
Special Care Workers	Other	5.6	
Bar Attendants and Baristas	Student	10.6	8.3
Cafe Workers	Student	11.3	6.9
Hotel Service Managers	Student	16.8	11.2
Waiters	Student	28.2	21.7
Beauty Therapists	Student		8.3
Personal Care Consultants	Student		28.1

Note. Excludes occupations not specifically described and "Other".

**Table 10. Clerical and Administrative Occupations in Australia: Percentage of Australian job holders who were Temporary visa holders, by sex, 2016 Census.**

Clerical and Administrative Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 7 Categories)</b>			
Office Managers and Program Administrators	Skilled	2.6	1.1
Personal Assistants and Secretaries	Skilled	3.2	0.9
General Clerical Workers	Student	2.4	1.1
Inquiry Clerks and Receptionists	Student	4.2	1.9
Numerical Clerks	Other	2.1	1.1
Clerical and Office Support Workers	Student	2.9	1.3
Other Clerical and Administrative Workers	Student	1.9	1.6
<b>ALL CLERICAL &amp; ADMINISTRATIVE</b>	<b>Student</b>	<b>2.5</b>	<b>1.3</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Receptionists	Student	9.4	

Note. Excludes occupations not specifically described and "Other".

**Table 11 Sales Occupations in Australia: Percentage of Australian job holders who were Temporary visa holders, by sex, 2016 Census.**

Sales Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 3 Categories)</b>			
Sales Representatives and Agents	Skilled	1.7	2.0
Sales Assistants and Salespersons	Student	5.3	3.1
Sales Support Workers	Student	10.0	4.7
<b>ALL SALES WORKERS</b>	<b>Student</b>	<b>4.8</b>	<b>3.2</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Sales Assistants (General)	Student	5.5	
ICT Sales Assistants	Student		6.2
Pharmacy Sales Assistant	Student	6.7	
Service Station Attendant	Student	26.9	5.0
Street Vendors and Related Salespersons	WHM/Student	9.8	5.1
Checkout Operators and Office Cashiers	Student	12.9	5.5
Models and Sales Demonstrators	Student	5.6	
Retail and Wool Buyers	Skilled	10.7	7.4
Telemarketers	WHM	6.2	
Visual Merchandisers	WHM	5.7	

Note. Excludes occupations not specifically described and "Other".

**Table 12. Machinery Operators and Drivers Occupations in Australia: Percentage of Australian job holders who were Temporary visa holders, by sex, 2016 Census.**

Machinery Operators and Drivers Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 4 Categories)</b>			
Machine and Stationary Plant Operators	Student/WHM	1.4	1.2
Mobile Plant Operators	Student/Bridging	1.4	1.8
Road and Rail Drivers	Student	4.6	1.5
Storepersons	Student	3.6	3.6
<b>ALL MACHINE OPERATORS &amp; DRIVERS</b>	<b>Student</b>	<b>3.1</b>	<b>2.1</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Automobile Drivers	Student	11.2	
Delivery Drivers	Student	14.4	

Note. Excludes occupations not specifically described and "Other".

**Table 13. Labourer Occupations in Australia: Percentage of Australian job holders who were Temporary visa holders, by sex, 2016 Census.**

Labourers Occupations	Largest Visa Category	% Who Were Temporary Visa Holders	
		Males	Females
<b>ANZSCO Sub-Major Group (All 6 Categories)</b>			
Cleaners and Laundry Workers	Student	20.7	11.0
Construction and Mining Labourers	WHM	3.8	3.4
Factory Process Workers	WHM/Student	9.0	11.4
Farm, Forestry and Garden Workers	WHM	7.9	16.1
Food Preparation Assistants	Student	20.8	8.9
Other Labourers	Student	3.6	2.9
<b>ALL LABOURER OCCUPATIONS</b>	<b>Student</b>	<b>9.8</b>	<b>10.0</b>
<b>ANZSCO Unit Group Occupation (only those above 5% of total Australian employment in the occupation)</b>			
Car Detailers	Student	17.2	5.9
Commercial Cleaners	Student	23.0	10.0
Domestic Cleaners	Student	21.6	8.9
Housekeepers	Student	55.2	20.8
Laundry Workers	Student	10.5	
Building and Plumbing Labourers	Student/WHM	7.4	54.4
Food and Drink Factory Workers	Student	6.4	5.5
Meat Boners and Slicers, and Slaughterers	Skilled	19.1	21.5
Meat, Poultry and Seafood Process Workers	WHM	12.7	11.3
Packers	WHM	18.8	24.1
Crop Farm Workers	WHM	25.5	39.9
Livestock Farm Workers	WHM		6.4
Fast Food Cooks	Student	10.3	9.6
Food Trades Assistants	Student	15.7	6.2
Kitchenhands	Student	26.4	8.9