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Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

RE: The impact of Australia's temporary work visa programs on the Australian labour market and on the temporary work visa holders

Dear Committee members,

The Migration Council Australia is pleased to provide a submission for the inquiry on the 'impact of Australia's temporary work visa programs on the Australian labour market and on temporary work visa holders' being undertaken by the Senate Education and Employment references committee.

Our submission reflects an ongoing commitment by the Migration Council Australia to advocate for improved migration and settlement policies and builds on previous reports and submissions. Also enclosed are copies of two of our recent reports, *More Than Temporary: Australia's 457 Visa Program* and *The Economic Impact of Migration*.

We would be happy to appear before the committee if requested.

Yours sincerely,

Carla Wilshire
CEO
Migration Council Australia

Recommendations:

- Note the benefits migrants on temporary work visas provide to others in the labour market, particularly lower-skilled workers.
- Index the TSMIT as at 1 July 2015 according to average weekly ordinary time earnings.
- Remove labour market testing.
- Increase the fee to nominate a temporary migration visa, creating a greater price signal.
- Introduce a tiered nomination period based on income.
- Abolish the current training benchmarks and introduce a training levy for each nomination.
- Undertake more detailed income analysis of departmental administrative 457 visa data and make public findings in an anonymised method.
- Encourage state governments to remove fees for children who hold secondary temporary migrant visas.
- Give consideration to the appropriate length of time for a migrant to shift from temporary to permanent residency.
- Direct revenue from increased nomination fees towards monitoring activities and settlement support for secondary visa holders.
- Better clarify the scope of nomination occupations by introducing 4-digit unit codes on the Consolidated Sponsored Occupation List.
- Maintain recently introduced regulation for an average English score to demonstrate proficiency.
- Publicly disclose more information in relation to labour agreements, including the type and scale of exemptions being granted.
- Provide public information on the previous visa held for 457 visas granted in Australia.
- Provide public information on the length of time spent in Australia by temporary work visas.

Introduction

Australia's migration framework has transformed over the past two decades. The introduction of a range of temporary work visas has been central to this transformation.

It would be impossible to imagine Australia's place in the world and in the region without these temporary work visas. Labour mobility is becoming more important over time, reflected by greater flows of people coming in and out of a greater range of countries.

While permanent migration will remain a bedrock of Australian's migration policy, it is already apparent temporary work visas will be the primary driver of migration flows. In 2013-14, over 58 per cent of new permanent residency visas were granted to people already in Australia on temporary visas. Scrapping or dramatically scaling back Australia's temporary work visas would have negative economic and social impacts.

These programs make an important economic contribution to the Australian labour market, enabling the transfer of knowledge and skills, a unique ability to import innovation. In particular, high skilled programs such as the 457 visa scheme play a key enabling role for investment in new projects, fuelling job creation. Other programs form part of our country-to-country linkages and underpin foreign relations objectives.

The MCA welcomes a continued focus on the migration policy. As policy shifts have occurred there is a constant need to evaluate and review the outcomes of our migration program. In particular, MCA notes that changes in settlement and social policy have not kept pace with changes to migration visa policy.

Over the coming years, important policy considerations will need to be addressed as a consequence of temporary visas, such as how long a person should remain on a temporary visa without transitioning to a permanent visa, and what social services should be available to them. In this respect, the MCA considers that public focus on regulatory and monitoring frameworks has come at the expense of consideration as to the social supports temporary migrants might need.

This submission is divided into sub-headings according to the terms of reference of the enquiry.

Section A: The impact of temporary work visas[1] on the 'wages, conditions, safety and entitlements of Australians'

Wages:

The MCA considers that statements about the negative effects of migrants on existing wages are not based on evidence. Rather, there is strong evidence to suggest temporary work visas do not have a large negative or positive impact on the *average* Australian wage (Productivity Commission 2006; Docquier, Ozden and Peri 2010; Migration Council Australia 2014). While study on the specific outcomes of temporary visas is limited, research on migration as a whole is well established.

Recent independent economic modelling conducted by the Migration Council Australia shows a significant increase in after-tax income for low and medium skilled workers. By 2050, the income benefit for low skilled workers will be a 21.9 per cent rise in after tax wages.

This finding is supported by a substantial body of research assessing the economic impact of immigration in industrial economies. In an overview of this research, David Roodman finds "that a 10 percentage point increase in the immigrant 'stock' as a share of the labour force changes 'natives' earnings by between -2% and +2%" (Roodman 2014).

Another study of migration to Australia found a positive impact on employees in the labour market who do not hold higher education qualifications. Docquier, Ozden and Peri (2010) find wages for non-degree holders in the Australian labour market increased by 4.5 per cent because of immigration over the decade from 1990 to 2000. This is the equivalent of nearly half a percentage point each year, a strong contribution to wage growth.

Australia's skilled migration framework actively seeks to support and increase lower skilled wages given the complementarity of high skilled migrants in the labour market. As temporary work visas are critical to Australia's skilled migration policy, the positive average impact on domestic workers without higher education qualifications is an important consideration.

The 457 visa program shows how these effects play out. With an average base salary of $87,800 (September 2014), this is 14 per cent higher than the trend full-time adult average weekly ordinary time earnings (November 2014). When combined with the fact primary 457 visa holders represent less than 1 per cent of the labour market, the notion that these workers are actively driving down wages in the labour market should be dismissed. 457 visas also facilitate skills and knowledge transfer in terms of productivity growth, discussed in Section C below.

The research agenda demonstrating the economic benefits to existing Australian residents should be a primary consideration of policy makers when

[1] Temporary work visa holders is taken to mean the 400-series visas and excludes working holiday makers and international students unless a broader definition is applied, such as Section H

assessing Australia's skilled migration framework and temporary work visas in particular.

This evidence points to Australia's current temporary work visa categories having a beneficial impact on the average wage of existing workers. One policy option to better support this would be the indexation of the Temporary Skilled Migrant Income Threshold (TSMIT). The TSMIT is the salary floor for migrants on 457 visas.

Migrants on a 457 visa cannot fill occupations with a 'market salary' below the TSMIT. The TSMIT has traditionally been indexed according to average full-time weekly ordinary time earnings each financial year (AWOTE). However this did not occur on 1 July 2014 and the government has indicated this will not occur on 1 July 2015 also.

The TSMIT remains $53,900, a figure last indexed in July 2013. Indexation for 2013-14 and 2014-15, assuming an AWOTE of 2.7 per cent each year would result in a TSMIT of $56,850 from 1 July 2015.

This increase is important as the TSMIT acts as the floor for wages for migrants on temporary work visas.

Without indexation, the salary floor decreases in real terms each year as wage inflation occurs. This reduces the ability of temporary migrants to support themselves in society, as they are unable to claim government assistance while also expanding the scope of the 457 visa program in the labour market.

Recommendation:

- Note the benefits migrants on temporary work visas provide to others in the labour market, particularly lower-skilled workers.
- Index the TSMIT as at 1 July 2015 according to average weekly ordinary time earnings.

Employment opportunities for Australians:

There is very little evidence to support claims new immigrants take jobs in the labour market away from existing Australian residents.

In his literature review of existing research, David Roodman finds "there is almost no evidence of anything close to one-to-one crowding out by new immigrant arrivals to the job market in industrial countries" (Roodman 2014). This is because advanced industrial economies are dynamic and adjust over time to new immigrant arrivals.

Just as rising female participation rates in the Australian economy from the 1960s did not lead to widespread mass male unemployment over the same period. Each female who entered the labour market did not 'steal' a job that previously belonged to a male. Instead, the economy and the labour market adjusted over time, with more jobs being created.

There has been a continual discourse that argues that migration crowds out youth employment opportunities. This assertion rests on the claim that 10 additional people will become unemployed, or will remain unemployed at the same time 10 new migrants arrive, with the migrants 'taking' the jobs that could have been filled by our domestic labour force.

Yet this ignores how labour markets work in practice, with new workers adding economic demand or enabling investment, hence generating other positions in the labour market. Employers who use temporary work visas as dictated by legislation should not be substituting migrants for young workers given requirement for market wages and the focus on skilled migration.

Modeling conducted by the MCA shows that migrants do not add significantly to unemployment. Our recent report, "The Economic Impact of Migration", forecasts that over a ten-year period there is very little impact on the unemployment rate either by zero migration or current migration (Migration Council Australia 2015).

Over a longer time period (15 to 35 years), immigration helps reduce the unemployment rate for medium- and low-skilled workers with a marginal increase in unemployment for higher skilled workers. This shows how a flow of new arrivals into a labour market will change both demand and supply in the economy, not a simple displacement of one worker for another.

This finding is backed up by recent research using a unique longitudinal survey. Peri and Foged find that migrant flows into Denmark from 1991 to 2008, including large unskilled flows of refugees, had no increased probability on unemployment or a decrease in employed for lower skilled workers (Peri and Foged 2015).

In the United States, 96 per cent of labour economists "agree that gains to American society from immigration exceeds the losses" (Klein and Stern 2006). 89 per cent of economists surveyed for the Chicago Booth IGM Forum either agreed or strongly agreed with the statement, "The average US citizen would be better off in a large number of highly skilled foreign workers were legally allowed to immigrate to the US each year" (IGM Forum 2013). Given Australia's temporary work visas are geared towards the highly skilled, this is relevant for our labour market also.

These findings do not deny that a small minority of individual employers will seek to circumvent existing labour market regulations and exploit migrants while undermining employment opportunities for Australians. However these same employers are unlikely to play a role in promoting sustainable, lawful employment for Australians in the first place and require a strong enforcement and monitoring system.

The nomination process and Labour Market Testing:

The Migration Council does not support labour market testing for temporary work visas as this regulation:

- increases the administrative burden for employers who comply with the law;

- is ignored by employers who deliberately flout the law; and,
- is ineffective in ensuring Australian's are considered by employers before migrants on temporary work visas.

Labour market testing was removed from the 457 visa program in the early 2000s as there was no evidence to support the claim Australian workers benefit. Despite the reintroduction of labour market testing there remains an absence of evidence to show any positive regulatory benefit from this policy.

The administrative burden for employers to undertake labour market testing is significant. Records and processes must be repeatedly demonstrated for each visa nomination at no benefit for either Australian workers or businesses. Documenting the process is cumbersome and unwieldy.

This is particularly the case for visas granted to internal employees who are based overseas. An 'intra-company transfer' may require a 457 visa yet there is no rationale for any company to 'test the market' when an internal staff member is simply shifting their location for work purposes. This type of internal company labour mobility within organisations is increasingly important in securing international investment. .

Labour market testing does little to ensure that employers who might seek to exploit the program are forced to give consideration to employing existing residents. A very small minority of employers will seek to exploit both migrants and existing residents, however this exploitation is most likely to occur after meeting the initial requirements to document the process of advertising the job. If the underlying rationale is to ensure employers consider Australian workers before migrants on 457 visas, the MCA considers labour market testing is largely ineffective.

Instead, the Migration Council recommends an improved price signal that increases the initial cost to nominate a temporary work visa in exchange for a reduction in administration costs. These additional fees would fund both an increased number of monitoring activities and English language support and cultural orientation for spouses of temporary workers.

A higher nomination fee would better discourage exploitative employers to immediately seek migrants on temporary work visas instead of Australians by increasing the difference in price between the two options. Governments regularly tout the 'price signal', as employers must engage in a regulated process of receiving a 457 visa nomination. Employers are also responsible for recruitment costs and some of the costs for migrants (such as return travel costs).

However the size of the price signal between a 457 visa and an Australian worker has lessened over time as approximately half of all 457 visas are granted to migrants already in Australia. This reduces recruitment costs and other administrative costs.

Scrapping a range of costly regulatory burdens, such as labour market testing and some sponsorship obligations, while increasing the nomination fee would be a win-win policy shift to reduce administration for sponsors.

Some employers with a blemish free record may object to paying higher fees, potential arguing this creates a competitive disadvantage. To compensate for these employers, an improved accreditation process should be considered. Further, such employers will benefit from the additional services offered to dependents, which will in turn enable them to attract and retain high skilled workers who are in global demand.

In addition to raising the price signal, a tiered system of nominations should be introduced to better support the 'market salary rate'. This would shorten the validity of the nomination for lower salaried migrants. For example, instead of all 457 visa nominations being valid for four years, the following validity could be introduced:

- 2 years: Salary above TSMIT but below AWOTE
- 3 years: Salary above AWOTE but below the Fair Work High Income Threshold
- 4 Years: Above the Fair Work High Income Threshold

By reducing the length of the nomination period, the market salary can be more closely monitored at regular intervals. This is more important for those migrants who have lower salaries.

If labour market testing is to remain, the current exemptions appear sensible and based heavily on a number of international obligations. Further exemptions could be considered for demonstrated instances of intra-company transfers.

More public information should be available for the 457 visa program in general. This includes anonymised salary data, linked to occupations and industries. The current lack of transparency leads to policy unknowns and affects confidence for temporary work visas. This is discussed in later sections.

Recommendations:

- Remove labour market testing.
- Increase the fee to nominate a temporary migration visa, creating a greater price signal.
- Introduce a tiered nomination period based on income.

Conditions, safety and entitlements:

It is extremely difficult to assess the impact of temporary work visas on the 'conditions, safety and entitlements' of Australian workers. This is because there is a dearth of evidence one way or the other on these matters except individual cases that may arise in the media and/or anecdotes.

Context is important. Some industries and occupations may be more prone to poor safety and conditions in general than others regardless of their workforce makeup. There are over 30,000 sponsors in the 457 visa program. If one per cent of those sponsors are in breach of the regulations, there remain 29,700 compliant sponsors. The Department should give consideration to what level of non-compliance is acceptable in a program of this size. More public

confidence in the 457 visa program could potentially be achieved if the department were to consider publishing more detailed information around the type of breaches that occur.

The Migration Council does not dispute the fact there are instances where employers seek profit at the expense of both Australian workers and 457 visa holders, including reducing safety and conditions for their workforce. These workplace environments should be subject to the full scrutiny of the law, including monitoring access for officials from the Fair Work Ombudsman and a risk analysis of sponsors who are more likely than others to create unsafe work environments. Creating more transparency in the program will help demonstrate these concerns are taken seriously.

Section B: The impact of Australia's temporary work visa programs on training and skills development

There are demonstrated training and skill development benefits for Australian workers stemming from temporary work visas.

A comprehensive survey from 2013 analysed by the Migration Council showed that 76 per cent of 457 visa holders helped train other workers. Employers supported this sentiment with 68 per cent saying their 457 visa holders trained other workers. This type of skills transfer within the labour market points to a strong contribution from temporary work visa holders to Australian employment outcomes via new knowledge and skills. This is a key part of the visa system and demonstrates how innovation is being imported to Australia through migration policy.

The current obligations for sponsors in relation to the training benchmarks is inefficient and has no proven effects on creating opportunities for Australia skills development. This situation is not helped by the inability of the Department to identify if sponsors comply with Training Benchmark A or B and where any funds allocated under Training Benchmark A is spent by Registered Training Organisations or other institutions.

The Migration Council fully endorses the approach for training obligations outlined by the recent Azarias review into the 457 visa program. The training benchmarks would be scrapped and replaced by a levy that would fund new and existing apprenticeship and training schemes.

The argument that abolishing the training benchmarks would lead to the removal of sponsors training their existing workforce is a fallacy. Sponsors will continue to train their workforce as it is in their self-interest to do so.

Recommendations:

- Abolish the current training benchmarks.
- Introduce a training levy for each nomination.

Section C: whether temporary work visa holders receive the same wages, conditions, safety and other entitlements as their Australian counterparts or in accordance with the law

Providing evidence whether temporary work visa holders receive the same wages and conditions as Australian, as required under the law, is difficult given the lack publicly available information.

There will undoubtedly be individual cases where equal treatment does not occur. This is primarily due to the size of the 457 visa program with over 105,000 primary migrants and over 30,000 sponsors. A small number of employers exploiting their workers – Australian or migrant – will occur a program of this size. A central goal of policy-makers should be to limit the extent as much as is possible and create a regulatory context that significantly penalises non-compliance.

There is a range of measures to better help achieve this goal to better ensure the integrity of the 'market salary rates' provision requiring sponsors to pay migrants on 457 visas the same as existing residents doing the same job.

The first would be to enhance monitoring activities and implement the recently announced collaboration with the Australian Tax Office as soon as possible. Matching individual tax records with Department of Immigration and Border Protection records would create a unique opportunity to ensure compliance with providing migrants the same income as Australian counterparts.

Another method would be to more regularly check with migrants themselves about their incomes. A regular 'spot survey' could be undertaken to match up income records of migrants with the original nomination forms. The records of this should be made public in an anonymised method to demonstrate integrity measures are taken seriously.

There are two program-level analysis methods that would help identify potential risk areas. These are:

- An analysis of nominations that are at the TSMIT given the market salary rate should determine the income of migrants, not the salary floor. A proportion of nominations at TSMIT outside the program average should be a flag to indicate possible risk.

- Matching nominated incomes by occupation and industry with the ABS survey of hours and earnings. This exercise would allow a birds eye view of the 457 visa program and identify problematic occupations and industries where segments of the 457 visa population appear underpaid.

To support program transparency and integrity, analysis such as this should be made public.

Recommendation:

- Undertake more detailed income analysis of departmental administrative 457 visa data and make public findings in an anonymised method.

Section D: whether temporary work visa holders have access to the same benefits and entitlements available to Australian citizens and permanent residents, and whether any differences are justified and consistent with international conventions relating to migrant workers;

Temporary work visa holders do not have access to the same benefits and entitlements available to Australian citizens and permanent residents. The MCA considers that where restrictions do occur they should be evidenced-based and, arguably, time-limited.

In some instances, restrictions are easily understandable. The right to vote is excluded for temporary work visa holders, as is the right to claim most welfare payments. The right to vote is tied to citizenship while welfare is also restricted for the first two years of permanent residency.

Other rights are more controversial. For example, migrants on a 457 visa cannot change employers without first being approved by their new employer. This limits labour mobility compared to a permanent resident or citizen.

The Migration Council strongly supports opening up access to some entitlements, particularly social programs aimed an enabling participation and safeguarding vulnerable women.

In particular, the practice of charging public school fees for the children of temporary work visas is troubling. This occurs in NSW, ACT and Western Australia, with fees of up to and exceeding $10,000 in some cases. This fee may be discouraging parents from enrolling their children in school. Where enrolment does occur, the weight of the fee is likely putting price of living pressure on migrants and their families. Further, temporary workers and their dependents are not eligible for other critical social programs, such as domestic violence support.

Moreover, given the percentage of temporary workers who are likely to convert to permanent residents, denying access to programs that support participation and inclusion should be queried. Access to English language support, cultural orientation and programs aimed at building networks in a new community should be available to spouses of temporary workers.

The exclusion of benefits and entitlements raises an important and under analysed question: what length of time is acceptable to remain in Australia as a temporary member of society?

The regulatory status quo implies an unlimited number of years. An employer can roll over a four year 457 visa without limit and a migrant may remain in Australia for as long as they hold a valid visa. Yet is this desirable? A residency status of ‘permanently temporary’ should be discouraged through policy measures given the risks for exploitation rise over time. Consideration of the time period after which a migrant shifts from temporary to permanent residency is an important future step for Australia’s migration policy framework.

Regarding the reference to international conventions relating to migrant workers, the Migration Council takes this to imply the ‘International

Convention on the Protection of the Rights of All Migrant Workers and Members of their Families'. The Migration Council considers that significant thought should be given to the potential policy fallout from the ratification of the Convention on Migrant Workers.

Australia has not signed this convention. Less than 50 countries have ratified the convention. No major migrant destination country has signed this convention, including other 'settlement countries' such as the United States, Canada and New Zealand.

This is uncommon, as other major human rights treaties, such as Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Racial Discrimination, have attracted widespread support.

One strong explanation for this is that the compliance costs of ratification are high for migrant destination countries. Migrant rights and migrant flows are closely linked, with migrant rights *in general* appearing to reduce the flow of migrants into countries.

Ratification of the Convention on Migrant Workers would require massive policy change and restrict Australia's ability to pursue various migration policy outcomes.

Recommendations:

- Encourage state governments to remove fees for children who hold secondary temporary migrant visas.
- Open up access to key social programs, particularly those that support women's participation and safety.
- Give consideration to the appropriate length of time for a migrant to shift from temporary to permanent residency.

Section E: The adequacy of the monitoring and enforcement of the temporary work visa programs and their integrity.

Current monitoring and enforcement processes for temporary work visas are inadequate. Over the past three year period, the number of sponsors and visa holders has increase without the requisite increase in enforcement funding.

The Migration Council has previously stated, “effective legislative oversight can only function with a monitoring regime that supports those employers who do the right thing and sanctions those who are exploitative and profiteers”.

The Migration Council strongly supports new measures designed for the Department of Immigration and Border Protection to work with the Australian Tax Office to better enforce compliance with key regulations.

This should be supported with additional resources for the Fair Work Ombudsman to specifically monitor sponsors of temporary work visas. Funding for this activity should be partially drawn from an increase to the nomination fee.

While the current processes are inadequate, the Migration Council commends recent work to stamp out poor employment practices, noting the successful prosecution of a sponsor based in Darwin resulting in a substantial fine. Demonstrated cases of exploitation should result in removal from the program and continued prosecution.

However care must be taken to understand the difference between genuine exploitation – such as underpayment and forced unpaid overtime – and other regulatory grey areas. One example is the duties performed by migrants on temporary work visas.

Migrants nominated as Engineers should not be working as Cooks. However the classification index is complicated and very specific. For example, under ANZSCO, an Accountant could be: Accountant (general), Management Accountant or a Taxation Accountant. In the workforce, particularly for smaller businesses, one accountant may incorporate each of the duties associated with these occupations into their role. This is because each occupation is defined to by a 6-digit code under ANZSCO, creating a high degree of specificity.

To clarify this issue for employers, migrants and government, the Migration Council recommends the Consolidated Sponsored Occupation List used for temporary work visas be simplified to outline 4-digit unit groups under ANZSCO instead of 6-digit occupations. In the previous example, a sponsor could nominate a unit group 2221 – Accountants instead of specifying exactly which account occupation a 457 visa holder will work in.

Instances of sponsors deliberately hiring migrants on temporary work visas in the incorrect occupation should remain an instance of fraud and be subject to the existing penalties.

Recommendations:

- Direct partial revenue from increased nomination fees towards monitoring activities.
- Better clarify the scope of nomination occupations by introducing 4-digit unit codes on the Consolidated Sponsored Occupation List.

Section F: the role and effect of English language requirements in limited and temporary work visa programs.

Similar to assessing the safety and conditions impact of temporary work visas, assessing the 'role and effect' of English language requirements is difficult.

Despite this lack of evidence, there are a number of considerations when considering the appropriate level of English proficiency for migrants on temporary work visas.

The Migration Council support a minimum level of English proficiency and cautions against any move to abolish the English language requirement. Abolishing the English requirement would be a retrograde step with negative consequences. English language ability correlates strongly with income levels in Australia and a proficient level of English is required for permanent residency. As a majority of 457 visa holders wish to stay in Australia, an inability to speak English increases the likelihood they will remain a long-term 'temporary migrant' and have less ability to move within the labour market.

While difficult to assess, a baseline of an average of a 5 IELTS score (or equivalent for other test methodologies) provides both the ability for migrants to prove they are proficient in English while also some flexibility in terms of the method of communication, being writing, speaking, reading and comprehension.

A 'hard' 5 IELTS score – 5 in each category – would restrict visas for those whose score below 5 in any one category. For certain occupations not requiring this level of writing in particular, this is a serious barrier to eligibility. An average of 5 retains the core focus on a base level of English proficiency needed to build skills to participate meaningfully and move to permanency.

Recommendation:

- Maintain recently introduced regulation for an average English score to demonstrate proficiency.

Section G: whether the provisions and concessions made for designated area migration agreements, enterprise migration agreements, and labour agreements affect the integrity of the 457 visa program

It is difficult to provide concrete evidence on Designated Area Migration Agreements (DAMAs) and Enterprise Migration Agreements given the lack of publicly available information on these processes.

As far as the Migration Council is aware, there are no current DAMAs or EMAs signed and operational or responsible for any sponsored migrants. While there have been announcements in relation to the Northern Territory DAMA and Roy Hill EMA, there has been a lack of further information.

Given these programs were announced in the 2011 Budget, the Migration Council does not see the provisions and concessions outlined as a major threat to integrity measures of the 457 visa program as this now marks a four year period where not a single visa holders has been subject to such provisions.

In relation to labour agreements, there is again little information available pertaining the operation of sponsorship arrangements. For example, each labour agreement is commercial-in-confidence and any concessions for sponsors are not publicly documented.

The Migration Council understands most concessions relate to English language proficiency, the ability to salary package measures to meet TSMIT, particularly in regional and rural areas, and the inclusion of occupations not on the CSOL. These exemptions can provide flexibility to the 457 visa program for unique labour market circumstances.

Yet it is possible given the secretive nature of these agreements, that provisions and concessions afforded to sponsors could affect the integrity of the 457 visa program.

For this reason, the Migration Council calls on the government to disclose substantially more information pertaining to all current labour agreements that does not infringe on commercial activities. A greater degree of transparency would create an environment where labour agreements do not threaten the integrity of the 457 visa program.

Recommendation:

- Publicly disclose more information in relation to labour agreements, including the type and scale of exemptions being granted.

Section H: the relationship between the temporary 457 visa and other temporary visa types with work rights attached to them.

It is to be expected there is some relationship between various forms of temporary work visas. A person might come out on a student visa and then get a job, transitioning to a 457 visa and at some point receive permanent residency. Alternatively, a working holiday maker may become sponsored by their employer on a 457 visa.

The scope and scale of these migrant trends are important and more publicly available information is required to better assess the relationship between temporary 457 visas and other temporary visas.

An obvious starting point is the inclusion of what previous visa a migrant held if their 457 visa was granted in Australia. This cohort of migrants makes up about half of all 457 visa holders. What proportion of these people were former students, working holiday makers and other types of visas? Including a limited amount of other data – such as age and salary – to assess trends would be a valuable addition to better understanding how temporary work visas interact with each other.

At present, inferring migration trends and assessing policy outcomes is difficult given the lack of information on this type of question.

A more important long-term question is the length of time spent in Australia by temporary work visa holders.

The most important missing piece of information for the entire 457 visa program is the time period migrants have already spent in Australia on temporary visas. The Migration Council does not support 'permanently temporary' migrants who become stuck in the system and if the time period trends up over time, processes should be examined to curtail such a development.

To better address this concern, the Migration Council recommends the proportion of migrants on 457 visas who have been in Australia for 1 year, 2 years, 4 years, 6 years, 8 years and over 10 years be made publicly available.

This information would greatly assist policy-makers as an integrity tool while providing the public with a level of assurance that the 457 visa program is operating in the manner intended. Further, this information would allow governments to better consider what the acceptable time period to spend on a temporary work visa is.

This information should be made available by industry to highlight if there are any high-risk parts of the labour market where migrants hold temporary work visas for significant longer periods of time than the program average.

Recommendation:

- Publicly provide information on the previous visa held for 457 visas granted in Australia.

- Publicly provide information on the length of time spent in Australia by temporary work visas.