



ANALYSIS

# Economic migration and Australia in the 21st century

Chris F Wright  
Stephen Clibborn  
Nicola Piper  
Nicole Cini

October 2016

**LOWY INSTITUTE**  
FOR INTERNATIONAL POLICY

The Lowy Institute for International Policy is an independent policy think tank. Its mandate ranges across all the dimensions of international policy debate in Australia — economic, political and strategic — and it is not limited to a particular geographic region. Its two core tasks are to:

- produce distinctive research and fresh policy options for Australia's international policy and to contribute to the wider international debate
- promote discussion of Australia's role in the world by providing an accessible and high-quality forum for discussion of Australian international relations through debates, seminars, lectures, dialogues and conferences.

This Analysis is part of the Lowy Institute's Migration and Border Policy Project, which aims to produce independent research and analysis on the challenges and opportunities raised by the movement of people and goods across Australia's borders. The Project is supported by the Australian Government's Department of Immigration and Border Protection.

Views expressed in this Analysis are those of the authors, and do not necessarily represent those of the Department of Immigration and Border Protection.

Lowy Institute Analyses are short papers analysing recent international trends and events and their policy implications.

The views expressed in this paper are entirely the authors' own and not those of the Lowy Institute for International Policy.

## EXECUTIVE SUMMARY

This Analysis assesses the benefits and challenges of contemporary economic immigration in Australia. While the policy arrangements underpinning economic immigration have undergone significant changes in recent decades, Australian governments have managed this transition successfully. Increased intakes of skilled immigrants have assisted structural transitions in Australia's economy, delivered tangible benefits in addressing challenges related to population, and produced positive effects in relation to fiscal impact, productivity, and immigrants' employment and labour market outcomes.

Notwithstanding these benefits, significant challenges have emerged in relation to temporary visa schemes, in particular: the lack of workplace protection and the need for greater social assistance for temporary migrant workers; the misalignment of skilled immigration regulations with the needs of the labour market; and skills underutilisation and gender bias in skills assessment. The Analysis makes policy recommendations to help address issues of mistreatment and underpayment of temporary migrant workers, ensure that the allocation of temporary skilled visas reflects genuine skills shortages, address problems of gender inequity, and ensure that policy settings remain responsive to future workforce needs. These policy adjustments are necessary for maintaining public confidence in expansive economic immigration arrangements that are important for sustaining national prosperity.

The impact of economic immigration on Australia's population, economy, and labour market is virtually unmatched among advanced economies. Since 1945, immigrants and their immediate descendants have accounted for over half of Australia's national population growth.<sup>1</sup> More than one in four workers in Australia were born in another country, with the foreign-born population as a share of the total population higher in Australia than in any other OECD country except for Luxembourg and Switzerland.<sup>2</sup>

Generally, economic immigration in Australia has been managed remarkably successfully. Compared with other developed democracies, large intakes of economic immigrants have not resulted in major social and political upheaval in Australia. Anti-immigration parties have been unable to gain an established political presence and broad consensus between the two major parties favouring a relatively expansive economic immigration policy has existed for much of the post-war era.<sup>3</sup>

*...economic immigration in Australia has been managed remarkably successfully.*

The policy arrangements underpinning Australian economic immigration have undergone significant changes in recent decades, most notably through a shift from permanent to temporary visas and a large increase in the annual intakes across almost all skilled and work visa categories. There has also been a shift in source countries from Europe to the Asia-Pacific region. While these changes mark a departure from Australia's legacy of a 'settler' model of immigration, they are broadly consistent with global trends. Today, many governments are seeking to attract migrant workers on a temporary basis to address labour market needs. Like other advanced and particularly English-speaking economies, Australia's intake of international students has also increased rapidly in recent years, in the context of intensified international competition among tertiary education institutions.

Economic immigration to Australia has produced net economic benefits in terms of helping to offset population ageing, contributing to higher levels of GDP growth per capita, and improving labour productivity.<sup>4</sup> It is a vital source of revenue for growth sectors such as education, and assists employers to source skills that are difficult to find in the domestic labour market at short notice. Just as a steady inflow of immigrants has contributed to structural changes in the Australian economy in the past, the permanent migration program and temporary skilled visas are likely to play an important role in addressing current and future labour market transitions, particularly those driven by technological change.

However, there are several major challenges. Weak regulation of the employers who hire migrant workers, especially temporary visa holders who are often susceptible to being mistreated, is serving to marginalise

migrants in the labour market and broader society.<sup>5</sup> Recent media coverage has exposed such issues internationally and may negatively impact Australia's competitive standing in industries such as education and horticulture that rely heavily on temporary migrant workers.<sup>6</sup>

This Analysis focuses on the benefits and challenges of contemporary economic immigration in Australia. We use the term economic immigration with reference to the policies and related avenues that attract migrants for employment purposes. This includes permanent and temporary skilled and work visas; schemes focused principally on other purposes but which grant migrants considerable work rights, such as working holiday visas and international student visas; and undocumented workers with no official work rights or who work in breach of their visa conditions.

In this context, this Analysis examines the nature and impact of economic immigration in Australia and assesses the socio-economic benefits and challenges of existing policy arrangements, including the role of immigration in assisting Australia's transition towards a more knowledge-based economy. It provides a brief overview of global trends in economic immigration policy and historical developments in Australia, giving context to existing policy arrangements. It examines the benefits and challenges of economic immigration, focusing on population, fiscal impact, productivity, innovation, employment and the labour market, skills issues, temporary migrants' rights and their transition to permanency, and gender inequity. It also provides recommendations to address the key challenges relating to contemporary economic immigration policies in Australia.

## GLOBAL TRENDS IN ECONOMIC IMMIGRATION

Contemporary growth of economic immigration to Australia needs to be understood in a global context. Between 1990 and 2015, international migration flows rose from 153 million to 244 million. There were more females (51.8 per cent) than males (48.2 per cent) among international migrants in 2015, with the proportion of females increasing slightly since 1990 when they accounted for 51.0 per cent.<sup>7</sup> Female-dominated professions such as those related to education, health, and social care are among the fastest-growing areas of demand for migrant labour.<sup>8</sup> OECD countries and their major cities have been the main destinations for migrants, although the trend of increased migration to and within Asia in recent years is likely to continue.<sup>9</sup> The large scale and extensive geographical reach of international migration flows over the past quarter-century are significant, if not entirely unprecedented, by historical standards.<sup>10</sup>

The increased inflows of foreign workers to virtually all OECD member states since the end of the Cold War<sup>11</sup> have been driven by various push and pull factors including the adoption of more open, if selective,

*Between 1990 and 2015, international migration flows rose from 153 million to 244 million.*

admission policies for certain categories of economic migrants.<sup>12</sup> Those able to work in high-skilled occupations, in particular those related to science, technology, and engineering, and those willing to work in low-skilled and often dirty, dangerous, and demanding occupations are the main targets of such policies. While economic immigration declined in some countries following the global financial crisis in 2008–09, intakes have returned to pre-crisis levels across the OECD. Permanent immigration remains important: in 2013 Australia received more permanent migrants as a proportion of the total population than any other country except for Switzerland and Norway.<sup>13</sup> However, like many other countries, Australia has come to utilise various categories of temporary economic migrants, such as skilled workers, international students, working holidaymakers, and seasonal workers, more extensively.

The growth of temporary migration is just one component in the ‘paradigm shift’ that has occurred in Australian immigration selection policy over the past two decades.<sup>14</sup> Other key aspects of this shift include: greater priority given to applicants deemed likely to succeed in the labour market (e.g. by virtue of local demand for their skills or a firm job offer); greater authority given to employers in the immigration selection and visa allocation process; new schemes designed to meet the needs of regional and low population growth areas; and the growth of ‘multi-stage’ migration (often referred to as ‘two-step’ or ‘three-step’ migration)<sup>15</sup> through the creation and consolidation of pathways between student, working holidaymaker, temporary skilled, and permanent visas.<sup>16</sup>

While this paradigm shift is important, core elements of Australia’s immigration policy legacy remain. Since colonisation, immigration has consistently been used for nation-building and fulfilling core economic policy objectives, with government playing a strong role in managing immigration selection and control. Moreover, immigration has played a vital role in the transition of Australia’s labour market, initially from agriculture towards manufacturing and industry, and more recently towards commodities and services.<sup>17</sup> Governments have been relatively successful at achieving their desired immigration policy objectives, as indicated in the “close correspondence” between the planned and actual size of each category within the permanent migration program.<sup>18</sup> This is due to the high degree of control that is exercised over inwards migration and facilitated by Australia’s remote island geography, an advantage not available to policymakers in most other countries.

*...immigration has played a vital role in the transition of Australia’s labour market...*

## EXISTING POLICY ARRANGEMENTS

Over the past two decades, there has been a greater focus on economic immigration in Australia. Immigration policy has become ‘market driven’, with priority placed on skills in demand and employers’ needs. Against the backdrop of a consistently buoyant labour market, this shift in the regulation of immigration selection has contributed to a large growth in intakes across all of the major skilled and temporary visa schemes between 1996/97 and 2014/15. As Table 1 indicates, although there has been growth in the non-economic (i.e. family and humanitarian) visa categories, it has been much more pronounced among skilled permanent (up from 19,697 in 1996/97 to 127,774 in 2014/15), skilled temporary (25,368 to 96,080), working holiday (52,700 to 226,812), and international student visas (68,611 to 299,540). In addition to these categories, the number of New Zealand citizens permitted to work and live in Australia under a special category visa steadily increased to 634,560 in 2015.<sup>19</sup> The growth of economic immigration, in particular since the 2000s, has been an important contributor to increased net overseas migration, which has helped to sustain population growth (see Figure 1). However, net overseas migration has declined since its peak in 2008.

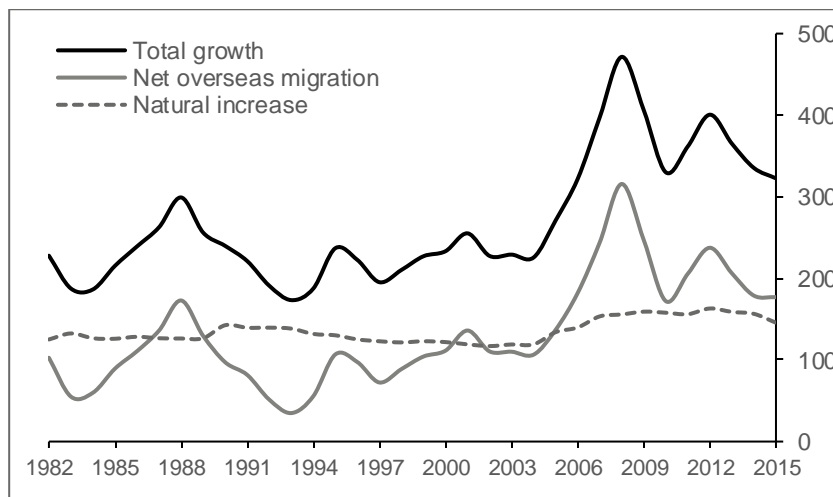
**Table 1:** Annual intakes for select visa categories, Australia, 1996/97–2014/15 (selected years)

|                                   | 1996/97 | 2000/01 | 2004/05 | 2008/09 | 2012/13 | 2014/15 | % increase<br>1996/97<br>to 2014/15 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|-------------------------------------|
| Skilled ‘457’ (temporary)         | 25,368  | 36,900  | 48,590  | 101,280 | 126,350 | 96,080  | 279                                 |
| Working holiday (temporary)       | 52,700  | 76,600  | 104,400 | 194,582 | 258,248 | 226,812 | 330                                 |
| International student (temporary) | 68,611  | 146,565 | 175,825 | 319,632 | 259,278 | 299,540 | 337                                 |
| Skilled (permanent)               | 19,697  | 44,730  | 77,878  | 114,777 | 128,973 | 127,774 | 549                                 |
| Family (permanent)                | 36,490  | 33,470  | 41,736  | 56,366  | 60,185  | 61,085  | 67                                  |
| Humanitarian (permanent)          | 11,902  | 13,733  | 13,078  | 13,373  | 19,985  | 13,756  | 16                                  |

Source: Department of Immigration and Border Protection (various sources)



Figure 1: Components of annual population growth, Australia, 1982–2015



Source: Australian Bureau of Statistics, 3101.0 – Australian Demographic Statistics, December Quarter 2015

The increase in the skilled visa intake is in part due to concessions granted to applicants who have obtained qualifications from Australian tertiary institutions or gained work experience in Australia in skilled occupations in short supply. Allowing international students to apply for skilled visas ‘on-shore’ immediately after completing their studies — rather than requiring them to return to their home country first as previously the case — has also contributed to the increase. There has also been growth in the temporary work (skilled) visa category (known as ‘457 visas’), which is regulated according to the demands of employers who cannot find suitable workers in the domestic labour market to address skilled job vacancies.

Students also make up part of this intake of skilled migrants. The growing international student visa intake reflects the increasing importance of international tertiary education to the Australian economy, the export value of which rose from A\$1.2 billion in 1991/92 to A\$18.8 billion in 2014/15, making international education Australia’s largest non-resources export industry.<sup>20</sup> International students have the right to work up to 40 hours per fortnight. They contribute an important share of the workforce in industries such as retail and hospitality.

Various policy changes have led to increased intakes in the working holidaymaker scheme, consisting of the Working Holiday subclass 417 visa and the Work and Holiday subclass 462 visa. While classified as ‘visitors’ visas and formally established for the purposes of encouraging cultural exchange, the working holidaymaker scheme is relied on extensively as a source of labour in industries such as horticulture. Important reforms have enabled this increase in working holiday visas, including concessions that allow 417 visa holders who



work in a regional area for 88 days to become eligible for a second 12-month visa, and a large increase in reciprocal agreements allowing foreign nationals from signatory countries to apply for a subclass 417 or 462 visa.

Finally, it is necessary to mention the undocumented workforce — those who enter Australia lawfully and then work in breach of their visa rules. In the 2010 review of the *Migration Amendment (Employer Sanctions) Act 2007*, the size of the undocumented workforce was estimated to be greater than 50,000 and possibly in excess of 100,000.<sup>21</sup> The Department of Immigration and Border Protection (DIBP) estimated the number of people overstaying their visa at 62,100 in 2014.<sup>22</sup> However, these figures are likely to be conservative given the sheer number of temporary migrants without work rights and those with restricted work rights, and given the large increase in temporary migrant intakes in recent years.<sup>23</sup>

*The vast majority of 457 temporary visa holders...are nominated to work in high-skilled occupations.*

Migrants working in Australia are concentrated in both high-skilled and low-skilled occupations. The vast majority of 457 temporary visa holders (94.5 per cent in 2014/15) are nominated to work in high-skilled occupations classified as ‘managers’, ‘professionals’, or ‘technicians and trades’, reflecting the ‘skilled’ nature of the 457 scheme. Over the past decade, occupations such as ‘software and applications programmer’, ‘general medical practitioner’, ‘registered nurse’, and ‘advertising and marketing professional’ have been consistently listed among the top nominated occupations, with ‘cook’ and ‘café or restaurant manager’ among the top nominated occupations in more recent years.<sup>24</sup> Table 2 and Table 3 show how the occupation and industry composition of the 457 visa scheme has changed over the past decade.

There are similar occupation patterns among permanent skilled visa holders, with ‘accountant’, ‘software engineer’, ‘cook’, ‘registered nurse’, and ‘ICT business analyst’ the top occupations in 2014/15.<sup>25</sup> While there is limited information relating to the occupations of working holidaymaker and international student visa holders, there is evidence to suggest that they are clustered in lower-skilled occupations in industries including horticulture, hospitality, and retail.<sup>26</sup>

There are significant gender disparities in the skilled visa categories. For example, among 457 temporary visa primary sponsored applicants in 2015/16, 13,229 visas were granted to females compared with 32,165 granted to males. By contrast, among secondary sponsored applicants, 25,788 visas were granted to females and 14,425 to males.<sup>27</sup> As such, females accounted for only 29 per cent of primary applicants but 64 per cent of secondary applicants granted 457 visas.<sup>28</sup> These figures suggest that within visa selection mechanisms the definition of ‘skill’ may privilege occupations dominated by males, therefore producing outcomes that can be interpreted as discriminatory.<sup>29</sup>

**Table 2:** Trends in 457 temporary visa grants for top 15 nominated occupations for primary applications granted, 2005/06 to 2014/15

| Rank | Nominated occupation              | 2005/06    | 2008/09    | 2011/12 | 2014/15 | % increase/<br>decrease<br>2005/06<br>to 2014/15 |
|------|-----------------------------------|------------|------------|---------|---------|--|
| 1    | Developer programmer              | 906        | 991        | 2,028   | 2,485   | 174  |
| 2    | Cook                              | 831        | 552        | 1,561   | 2,408   | 190  |
| 3    | Cafe or restaurant manager        | 180        | 301        | 636     | 2,037   | 1,032  |
| 4    | Marketing specialist              | 765        | 953        | 1,440   | 1,557   | 104  |
| 5    | ICT business analyst              | Not listed | Not listed | 1,208   | 1,483   | N/A  |
| 6    | Software engineer                 | 445        | 813        | 937     | 1,451   | 226  |
| 7    | University lecturer               | 295        | 508        | 1,570   | 1,284   | 335  |
| 8    | Management consultant             | 955        | 671        | 1,634   | 1,224   | 28   |
| 9    | Chef                              | 1,027      | 1,186      | 872     | 1,176   | 15   |
| 10   | General practitioner              | 976        | 1,775      | 1,407   | 1,133   | 17   |
| 11   | Accountant (General)              | 552        | 674        | 1,100   | 1,051   | 90   |
| 12   | Sales and marketing manager       | 710        | 620        | 974     | 1,013   | 43   |
| 13   | Resident medical officer          | 727        | 1,105      | 1,256   | 1,012   | 39   |
| 14   | Mechanical engineering technician | 233        | 538        | 1,076   | 891     | 282  |
| 15   | ICT project manager               | Not listed | Not listed | 624     | 730     | N/A  |

Source: DIBP, Subclass 457 visas granted pivottable: 2014/15 – comparison with previous years (Canberra: Commonwealth of Australia, 2016)

**Table 3:** 457 temporary primary visas granted 2005/06 and 2015/16 by sponsor industry

| Sponsor industry                           | 2005/06 | % of total | 2015/16 | % of total | % increase/<br>decrease<br>2005/06<br>to 2015/16 |
|--|---------|------------|---------|------------|--|
| Accommodation and food services            | 2,222   | 5.5        | 5,507   | 12.1       | 148  |
| Administrative and support services        | N/A     | N/A        | 336     | 0.7        | N/A  |
| Agriculture, forestry and fishing          | 1,099   | 2.8        | 722     | 1.6        | -34  |
| Arts and recreation services               | 912     | 2.3        | 561     | 1.2        | -38  |
| Construction                               | 3,493   | 8.8        | 2,996   | 6.6        | -14  |
| Education and training                     | 1,963   | 5.0        | 2,332   | 5.1        | 19   |
| Electricity, gas, water and waste services | 809     | 2.0        | 373     | 0.8        | -54  |
| Financial and insurance services           | 1,445   | 3.7        | 1,689   | 3.7        | 17   |
| Health care and social assistance          | 5,685   | 14.4       | 4,808   | 10.6       | -15  |
| Information media and telecommunications   | 3,279   | 8.3        | 6,884   | 15.2       | 110  |
| Manufacturing                              | 4,004   | 10.1       | 2,073   | 4.6        | -48  |
| Mining                                     | 2,836   | 7.2        | 1,091   | 2.4        | -62  |
| Other services                             | 2,733   | 6.9        | 6,242   | 13.8       | 128  |
| Professional, scientific and technical     | N/A     | N/A        | 6,487   | 14.3       | N/A  |
| Public administration and safety           | 450     | 1.1        | 159     | 0.4        | -65  |
| Rental, hiring and real estate services    | 4,887   | 12.4       | 231     | 0.5        | -95  |
| Retail trade                               | 1,193   | 3.0        | 1,651   | 3.6        | 38   |
| Transport postal and warehousing           | 652     | 1.6        | 540     | 1.1        | -17  |
| Wholesale trade                            | 1,118   | 2.8        | 695     | 1.5        | -38  |
| Not recorded                               | 747     | 1.9        | 18      | 0          | -98  |
| Total                                      | 39,527  | 100        | 45,395  | 100        | 15   |

Note: Total percentage figures may not sum to 100 due to rounding

Source: DIBP, Subclass 457 visas granted pivot table: 2015/16 to 30 June 2016 – comparison with previous years (Canberra: Commonwealth of Australia, 2016)

## ECONOMIC IMMIGRATION IN AUSTRALIA: BENEFITS AND CHALLENGES

There is extensive research evidence indicating the benefits of economic immigration for the Australian economy across a broad range of measures. For example, immigrants have played an important role in generating entrepreneurial business activity and contributing to greater workforce diversity, which have had positive effects on the economy.<sup>30</sup> Moreover, economic linkages between local and international businesses can be created and strengthened through mechanisms facilitating greater international labour mobility.<sup>31</sup> This suggests that the free trade agreements that Australia has recently negotiated with various countries have the potential to produce positive economic benefits, although further research is required.

*...immigrants have played an important role in generating entrepreneurial business activity and contributing to greater workforce diversity...*

Australia's current approach to economic immigration has many benefits. The system of permanent skilled visas enables migrant workers to move freely within the labour market, at the same time delivering higher employment rates, earnings, and skills utilisation among immigrants than comparable systems operating in other countries. The positive effects of economic immigration are most pronounced among permanent skilled visas and 457 temporary skilled visas and are particularly strong in four key areas: population; fiscal impact; productivity and innovation; and immigrants' employment and labour market outcomes. Nevertheless, there are challenges within existing policy arrangements, in particular: the treatment of temporary migrants in the workplace; the difficulty of transition to permanent residency for temporary migrants; the role of immigration in addressing skills shortages and labour market needs; and the underutilisation of immigrants' skills and gender bias in skills assessment. The benefits and challenges to economic immigration arising from these issues are explored below.

### POPULATION

Historically, economic immigration has contributed substantially to population growth in Australia. Immigration policies over the past two decades have been broadly successful in encouraging migrants to work in low population growth areas. A study of the (unexpected) overall increase in Australia's labour force participation rates from 2000 to 2010 found that changes to immigration selection during this period was an important contributor, and helped to offset earlier projections regarding the negative effects of population ageing.<sup>32</sup> While immigrants added 1.9 per cent to the aggregate labour force participation rate during this period, controlling for age and gender, participation rates for those born overseas were lower than for those born in Australia.<sup>33</sup> Nevertheless, a sustained high rate of net immigration, in particular attracting migrants of working age, appears to be necessary to stave off long-term population decline<sup>34</sup> and is likely to result in higher GDP per capita and labour

productivity.<sup>35</sup> However, accompanying policies are necessary to ensure that these net benefits are distributed fairly and that the social and environmental effects of increased population are managed properly.

Increased economic immigration has also helped to offset the costs of emigration, including loss of skills. An estimated 4 per cent of the national population lived abroad at the turn of the twenty-first century.<sup>36</sup> In 2015, 89,540 Australian residents departed permanently and another 74,200 departed on a long-term basis (i.e. for more than one year).<sup>37</sup> These numbers were significantly larger than the annual average number of departures over the post-war era. A high proportion of emigrants were professionals whose skills are in demand, such as information technology specialists, scientists, and engineers.<sup>38</sup> The focus on permanent and temporary skilled visas for attracting highly skilled immigrants has helped to counterbalance these trends in skilled emigration.

*The positive effects of immigration on population and labour force participation are particularly evident in regional and rural areas...*

The positive effects of immigration on population and labour force participation are particularly evident in regional and rural areas, which face acute challenges in attracting and retaining workers to address local labour market shortfalls. Despite some challenges relating to community settlement and a lack of employment information and support, state-specific and regional migration schemes have helped to attract skilled migrants to areas where they are needed.<sup>39</sup> These schemes have also proved beneficial in other areas. A recent study found that, following the introduction and expansion of state and regional migration schemes, the migrant population in regional and rural Australia records similar outcomes compared with the Australian-born population in terms of labour force participation, unemployment, median individual weekly income, and proportion in high skill level occupations. These findings provide a case for further encouraging the settlement of migrants in regional and rural areas.<sup>40</sup>

However, challenges in retaining migrants in regional and rural areas remain, particularly once visa requirements for permanent residency are met. Barriers to retention include the relatively greater opportunities for employment and education in larger cities, distance from family and friends, remoteness from urban centres, and the high living and housing costs in some regional areas such as in the Northern Territory.<sup>41</sup> Greater settlement assistance by government, especially at the state or local levels, has been proposed for increasing migrant retention in regional areas, for instance by enabling attractive and well-paid employment opportunities, access to affordable housing, and quality schooling for children.<sup>42</sup>

The growth of temporary visas has been a boon for industries concentrated in regional areas. For example, horticulture has traditionally struggled to attract and retain workers but has benefited from the growth in the number of working holidaymakers.<sup>43</sup> Industries such as education

have also benefited greatly from the expansion of international student visas and the creation and strengthening of pathways between student and skilled visas. In 2012, international students accounted for 18.3 per cent of total tertiary education enrolments in Australia, which represents a higher proportion than any other OECD country other than Luxembourg. Moreover, Australia accounted for 5.5 per cent in the worldwide market of foreign students in 2012, the fourth highest share behind only the United States, the United Kingdom, and France, all of which have much larger populations than Australia.<sup>44</sup>

### FISCAL IMPACT

Like other members of the population, immigrants both contribute to government revenue through taxation and take from revenue through government-funded services and benefits. The overall fiscal contribution of immigration to the Commonwealth budget, measured by whether on balance immigrants contribute more to or receive more from government revenue, depends on a range of factors. These include the age of the immigrant, income, workforce participation, and use of government services.<sup>45</sup> In the mid-1990s, higher rates of unemployment and receipt of public benefits were recorded particularly among family stream migrants who accounted for a higher share of the overall immigration intake.<sup>46</sup> Changes to immigration policy and economic conditions over the past 20 years have increased workforce participation of recently arrived permanent immigrants in the skilled and family categories, enhancing the overall fiscal contribution of the immigrant population.<sup>47</sup>

*Changes to immigration policy...have increased workforce participation of recently arrived permanent immigrants ...enhancing the overall fiscal contribution of the immigrant population.*

The current focus of immigration selection policy is on prioritising those who arrive at a younger stage in their working life, who participate in the workforce, who work in high-paying jobs, and who use fewer government services, meaning the fiscal impact of skilled visa arrangements is positive for Australia. However, this will change over time: permanent skilled immigrants will have a positive impact on public finances when they are in the workforce and a negative impact once they retire. Family stream immigrants and humanitarian visa holders are less likely to be in high-income employment and tend to be more reliant on government-provided benefits, meaning the fiscal impact of these visa classes is negative.<sup>48</sup> By contrast, the fiscal impact of immigration is highly positive among 457 visa holders, because of their tendency to be employed in well-paying jobs, because they are not afforded access to a range of social welfare payments and settlement services, and because their temporary status means they are less likely to settle permanently, and therefore retire, in Australia.<sup>49</sup>

### PRODUCTIVITY AND INNOVATION

There are potential benefits from immigration policies for productivity and innovation. A recent report on migration and productivity in Australia noted that "migration has had a (weakly) positive impact on aggregate

productivity” in recent years. Immigrants have made a notable contribution to the rate of labour and multifactor productivity growth, particularly in industries where immigrants have contributed to increased skills, and among immigrants with advanced proficiency in English and university qualifications.<sup>50</sup>

Immigrants bring new ideas and different perspectives from their home countries, helping organisations to innovate, for example through developing and adapting technology, reforming business models to take advantage of new market opportunities, and encouraging the adoption of more efficient processes and strategies within the organisation.<sup>51</sup> Recent government reports have highlighted the importance of business innovation for Australia’s future competitiveness and prosperity.<sup>52</sup> There are various ways that immigration policy can improve innovation at the organisational, industry, and national levels. Studies in the United States have found that the presence of immigrants with advanced university qualifications in science and engineering is associated with a higher rate of patent applications and the creation of technology firms. This is particularly the case when other policy arrangements (e.g. encouraging research and development and labour mobility) enable innovation and entrepreneurial activity.<sup>53</sup> In this respect, existing immigration policy arrangements in Australia are more encouraging than in the United States, but there is potentially more that could be done in Australia to attract and retain international students and skilled immigrants with higher degree qualifications in the areas of science and engineering.<sup>54</sup>

However, researchers in New Zealand, which like Australia has policies encouraging high intakes of skilled immigrants, have found there is no direct link between immigration and innovation. More specifically, organisations in areas with high concentrations of immigrant workers are no more innovative than organisations in other areas (once other characteristics such as firm size, industry, and research and development expenditure are controlled for).<sup>55</sup> Other studies indicate that low-skilled immigration should be discouraged, since this is found to have a negative impact on innovation. For instance, Italian regions with increased low-skilled immigrant populations experienced a decline in patent applications, which had offset the positive innovation effects of increased high-skilled immigration in other regions.<sup>56</sup> Firm-level and industry-level studies in the United Kingdom have found that access to a low-skilled immigrant workforce can deter employers from investing in skills and technology to innovate and improve productivity.<sup>57</sup>

A review of the existing literature on immigration and innovation concludes that Australia’s increasingly skilled and targeted migration program, together with the knowledge and skills of returning expatriates, is most likely contributing to innovation and productivity gains.<sup>58</sup> However, there is insufficient available data in Australia to allow conclusive findings to be drawn regarding the immigration-innovation relationship.<sup>59</sup> There needs to be more research on this issue, which is

*Australia’s increasingly skilled and targeted migration program...is most likely contributing to innovation and productivity gains.*



particularly important given changes in the skill composition of the immigrant workforce and the need for Australian organisations to innovate to remain globally competitive.

## EMPLOYMENT AND THE LABOUR MARKET

Immigrants in Australia, particularly those on skilled visas, have high levels of employment including in high-income occupations that utilise their skills.<sup>60</sup> The relatively low levels of unemployment among skilled immigrants is one reason why some experts claim that immigration selection policies in Australia are more effective at integrating immigrants into the labour market than immigration policies in Canada, for example, which are often held up as a model for other countries to follow.<sup>61</sup>

However, unemployment rates are much higher among females and accompanying family applicants in permanent and temporary visa categories.<sup>62</sup> In addition, former international students transitioning to permanent skilled visas face challenges in obtaining high-income employment that fully utilises their skills and qualifications.<sup>63</sup> Inadequate government regulation of education standards at private training colleges, barriers to social integration and challenges relating to migrants' English language competency are among the reasons identified for why former international students often face a difficult transition to skilled visas.<sup>64</sup> However, recent changes regulating the pathway between student and skilled visas including giving greater priority to applicants' English language competency, qualifications and experience as well as employer demand may help to address these challenges.

According to several accounts, the impact of economic immigration on the Australian labour market has been positive. For example, one study found that the highly educated nature of the immigration intake produced positive flow-on effects on wages for the local workforce, including for lower-skilled non-migrant workers. This is because immigrants create new businesses and jobs throughout the economy. Also, the study found that there is minimal competition between high-skilled immigrants and lower-skilled non-migrants for the same jobs.<sup>65</sup> These findings indicate that maintaining an immigration selection policy that prioritises highly qualified immigrants with skills in demand will produce aggregate benefits for the Australian economy and minimise adverse consequences for the workforce.

However, there are some indications that immigrants in lower-skilled occupations may be displacing young local workers concentrated in low-skilled employment.<sup>66</sup> Intakes in the working holidaymaker scheme and international student visas (discussed below) have increased significantly in recent years. At the same time, youth unemployment levels have remained high including among recent graduates.<sup>67</sup> It is possible that compared with citizens and permanent residents,

*...maintaining an immigration selection policy that prioritises highly qualified immigrants with skills in demand will produce aggregate benefits for the Australian economy...*

temporary immigrants are working in distinct occupations and industries such as in horticulture where employers particularly in regional areas find it difficult to attract and retain local workers.<sup>68</sup> However, temporary immigrants account for much of the recent growth in youth employment. A forthcoming report by Anna Boucher argues for greater scrutiny of the findings of economists<sup>69</sup> that immigration has benign effects on the Australia labour market and that more research on the relationship between immigration and youth unemployment is needed, particularly in light of the recent growth on temporary migrants in low-skilled employment.<sup>70</sup> Other significant challenges relating to the position of immigrants in the labour market, particularly those on temporary visas engaged in lower-skilled work, are discussed below.

#### THE TREATMENT OF TEMPORARY MIGRANTS AT WORK

*Vulnerability of temporary migrant workers to mistreatment at work...poses a significant challenge for immigration and employment policy.*

Vulnerability of temporary migrant workers to mistreatment at work, often in the form of underpayment of wages, poses a significant challenge for immigration and employment policy. Recent media reports, government inquiries, and academic studies have brought to light widespread underpayment, harassment, and other mistreatment of working holidaymakers and international students in the workplace. In 2015, a joint investigation by the ABC's *Four Corners* program and Fairfax media uncovered systematic gross underpayment of wages in 7-Eleven franchises.<sup>71</sup> Many of the workers appeared to be international students who were threatened to be reported to the DIBP for working in excess of the number of hours allowed under their visas. Reports from inquiries by the Productivity Commission and the Senate Education and Employment References Committee confirm that such practices are not limited to 7-Eleven.<sup>72</sup>

There is further evidence relating to the mistreatment of temporary migrant workers from academic research. Interviews with 200 international students in Australia and smaller-scale studies of working holidaymakers and international students in the hospitality sector revealed extensive underpayment of wages.<sup>73</sup> Likewise, a study of working holidaymakers on the harvest trail in the horticultural industry found they were commonly underpaid.<sup>74</sup> A large-scale survey of international students attending university in Sydney reported that 60 per cent of the student workers were paid less than the \$17.29 national minimum wage, almost one-third were paid \$12 per hour or less, and over one-third had felt threatened or unsafe at work.<sup>75</sup> These figures are likely to understate the true extent of underpayment given applicable awards required payment of casual loading and penalty rates. Press releases and reports published by the Fair Work Ombudsman paint a consistent picture of exploitation of temporary migrant workers holding a range of visas.<sup>76</sup>

There are several reasons why temporary migrant workers are vulnerable to mistreatment. First, studies of workers on 457 and international student

visas have indicated that migrants employed by members of their own immigrant community, who they may depend on for employment opportunities and information about their rights, are susceptible to underpayment of wages.<sup>77</sup> Second, some visa arrangements create conditions where migrant workers can become dependent on unscrupulous employers and that discourage migrant workers from seeking redress. For example, international students are required to work no more than 40 hours per fortnight; a small transgression exposes an international student to potential visa cancellation and removal. Their ongoing visas, enrolment in education, and employment are then dependent on employers not sharing any breaches of their visa conditions with the DIBP. Under the 417 working holiday visa subclass, workers have an incentive to work 88 days in a designated regional area to gain a 12-month visa extension. These workers are dependent on their employers certifying completion of this work. Workers under the 457 temporary skilled visa have limited mobility between employers in that they face a 90-day limit to finding another sponsored job. Continuation of their visas is therefore dependent on their employer. Unscrupulous employers seeking to evade their requirements to employ and treat workers lawfully can manipulate these conditional requirements.

Third, temporary migrant workers are denied many social rights, such as public health care, subsidies for their children's education and student travel concessions, which likely increases their living costs potentially prompting them to work lengthy hours, in some cases in contravention of their visa conditions. More significantly, undocumented migrant workers are denied the same employment rights as citizens and permanent residents, including entitlements under the National Employment Standards, national minimum wage, and modern awards.<sup>78</sup> They are unlikely to report breaches by employers for this reason and due to likelihood of deportation should the DIBP become aware of their presence. These workers are particularly unlikely to report breaches of employment laws given the Fair Work Ombudsman's inspection role on behalf of the DIBP, formally limited to compliance with 457 visa conditions.<sup>79</sup> This means that employers can gain cost advantages by underpaying undocumented workers given the low risk of sanctions by the Fair Work Ombudsman. Fourth, there are insufficient resources for institutions and actors that enforce employment regulations among industries that employ migrant workers. For example, the Fair Work Ombudsman has only 250 inspectors for 2.1 million workplaces and 11.6 million workers.<sup>80</sup> Other stakeholders such as trade unions, which once played a central role in policing the practices of employers, now have a low presence in workplaces, particularly in the food services, hospitality, retail, and horticulture sectors in which a large number of temporary migrants work.<sup>81</sup> Finally, new immigrants are not currently provided with information on their minimum workplace rights on arrival.

*...there are insufficient resources for institutions and actors that enforce employment regulations among industries that employ migrant workers.*

### DIFFICULT TRANSITIONS TO PERMANENT RESIDENCY

The challenges confronting temporary migrants are not confined to the workplace and extend to the transition that many seek to make towards permanent residency. The position of international students illustrates these challenges. Despite being depicted by some accounts as “designer migrants” whose shift to the skilled labour market is assisted by the process of receiving an Australian education, international students often face difficulties in transferring to skilled visas and permanent residency.<sup>82</sup> Although many international students successfully transition to skilled visas, the process is still a precarious one with students often “living in limbo” as they make the “staggered” journey towards permanent residency.<sup>83</sup>

Numerous reforms since the late 1990s governing the student-skilled visa pathway, while providing greater opportunity for permanent residency among international students, have intensified this uncertainty. Temporary student-skilled migrants waiting for their applications for permanent residency to be processed report that bureaucratic procedures and frequent policy changes creates uncertainty and diminishes their social, economic, and psychological capacity to deal with challenges such as travelling abroad to see relatives, making financial commitments, and establishing and maintaining interpersonal relationships.<sup>84</sup>

### SKILLS SHORTAGES

Immigration has helped to address inadequacies in Australia’s education and training systems, which have found it difficult to respond to labour market needs in a changing and more competitive economy. Immigration policy reforms over the past two decades designed to meet the immediate needs of employers have contributed to labour market efficiency by matching workers with desired skills and attributes to employers’ demands. In the case of skilled visas, they have also produced better employment and earnings outcomes for immigrants. Using employer needs as the basis for immigration selection has also helped to alleviate some of the political contestation that once surrounded the annual intake determination process,<sup>85</sup> as it arguably provides a more ‘rational’ and transparent basis for allocating visas.<sup>86</sup>

However, the ‘privatisation’ of the immigrant selection process has also produced distortions. This is particularly evident in relation to the 457 visa scheme. While 457 visas enable employers to source workers with desired skills at short notice,<sup>87</sup> they dampen the incentives for employers to invest in training,<sup>88</sup> to pay better wages or to create higher-quality jobs to attract local applicants.<sup>89</sup> A key problem with the scheme is that existing regulations requiring employers to prove that a skill shortage exists before sponsoring a 457 visa holder are weak and ineffective.<sup>90</sup> For example, the Consolidated Sponsored Occupations List, which defines the occupations that the visa can be used for, is too broad. This

*Immigration has helped to address inadequacies in Australia’s education and training systems, which have found it difficult to respond to labour market needs...*

list includes virtually all of the 600-plus occupations listed as ‘managers’, ‘professionals’, and ‘technicians and trades workers’ under the Australian and New Zealand Standard Classification of Occupations. As such it is essentially a list of occupations deemed appropriately skilled rather than those identified as being in shortage.<sup>91</sup>

There is evidence to suggest that using employer demand as a proxy for skills shortages is problematic.<sup>92</sup> In a DIBP-commissioned survey of 1600 employers using the 457 visa scheme, only around 1 per cent of respondents had sought to address skilled vacancies by increasing the salary being offered, which is widely seen as an indicator for a skills shortage existing.<sup>93</sup> A significant minority of employers used the scheme to recruit workers perceived to be more loyal or harder working. According to an analysis of employer motivations for using the scheme, the 457 visa is not fulfilling its stated objective of addressing skills shortages, particularly in accommodation and food services, and to a lesser extent in construction and manufacturing.<sup>94</sup> The growth of the 457 visa has also discouraged the reform of domestic education and training institutions which in some respects are failing to provide skills development, employment, and career progression opportunities to young Australian citizens and permanent residents.<sup>95</sup>

*There is evidence to suggest that using employer demand as a proxy for skills shortages is problematic.*

#### SKILLS UTILISATION AND GENDER BIAS IN SKILLS ASSESSMENT

Highly educated immigrants in employment are more likely to be overqualified compared with Australian-born employees, suggesting that more could be done to improve the recognition of overseas qualifications.<sup>96</sup> Over the past decade, successive policy changes in the area of overseas qualifications recognition has led to improvements in employment, earnings, and skills utilisation for permanent skilled migrants, particularly for health professionals and for applicants in the employer nominated and offshore independent categories.<sup>97</sup>

Nevertheless, there remain concerns over the process relating to the assessment of immigrants’ skills.<sup>98</sup> A particular problem is the focus on ‘skill’ itself, which is usually constructed in a way that favours the types of qualifications and earnings outcomes associated with male-dominated occupations, and disadvantages female-dominated occupations such as aged carers. A related problem is a failure to acknowledge that female applicants’ care responsibilities can disadvantage their ability to get the required points to qualify for a skilled visa.<sup>99</sup> As noted above, the disproportionate allocation of primary skilled visas to males compared with females is a reflection of this gender bias. Several issues that may help to address problems of gender bias in skilled immigration selection in Australia are outlined in the recommendations section below.

## FUTURE CHALLENGES: COMPETING FOR SKILLED WORKERS IN THE GLOBAL MARKETPLACE

The concentration of economic migrants in higher-skilled and lower-skilled occupations largely accords with forecasts regarding the likely areas of growth in the Australian labour market. These forecasts project that there will be sustained demand for higher-skilled and lower-skilled jobs and a continued erosion of demand for intermediate skilled occupations.<sup>100</sup> These shifts include the likely growth of jobs associated with rapid technological change and projected increased demand for health care, personal services, and occupations requiring managerial expertise. Ensuring that policy settings remain responsive to local labour market needs is particularly important given that technological change is likely to diminish demand for occupations such as accountants that have in the past been the main focus of policies aimed at attracting skilled migrants.<sup>101</sup>

*Maintaining a focus on employer sponsorship is one way of ensuring that economic immigration policy responds to structural shifts in the labour market.*

Maintaining a focus on employer sponsorship is one way of ensuring that economic immigration policy responds to structural shifts in the labour market. An important advantage of employer sponsored visas is that they match the supply of migrant labour to prevailing demand within the labour market, which can also help to ensure that immigrants gain employment that utilises their qualifications.<sup>102</sup> However, these visas are less effective at delivering longer-term skills and talents, such as advanced science and engineering qualifications and managerial and entrepreneurial capabilities, that are likely to help organisations innovate in the context of technological change and intensified global competition. The Productivity Commission's recommendation to move away from separate permanent visa categories based on points and employer nomination towards a universal points system would allow Australia's immigration selection policy to remain competitive in terms of global competition for skills. Under this proposal, a job offer from an employer in an area of identified shortage is just one of several criteria, alongside qualifications and age among others, which would be used to determine the points awarded to applicants.<sup>103</sup>

The shift away from immigration policies that privilege the short-term interests of employers would have additional advantages. It would help to address concerns that existing immigration policies are failing migrants, particularly temporary migrant workers many of whom are often underpaid or mistreated (particularly in industries where temporary migrant workers are concentrated, such as hospitality, retail, and horticulture). Moving policy arrangements away from the priority given to employers' immediate needs would also encourage employers to invest more in developing the skills of Australian citizens and permanent residents, particularly the young who are more likely to be unemployed or underemployed. Ensuring that immigration policies contain adequate protections for temporary migrants and that they are designed in ways that complement rather than undermine the Australian labour market is



vital for maintaining public confidence in policies that have facilitated high recent intakes of economic migrants.<sup>104</sup>

Existing visa arrangements are largely unable to address labour shortages in areas of likely growth in lower- and intermediate-skilled and in many cases female-dominated occupations, such as social care. The size of the aged care workforce, for example, will need to increase significantly over the coming decades to meet the projected rise in demand for aged care services, including in regional and remote areas which struggle to attract and retain labour.<sup>105</sup> Among the undersupplied occupations are aged and disabled carers, which generally require an Australian Qualifications Framework Certificate II or III qualification but are not deemed to be sufficiently skilled occupations under existing visa regulations.<sup>106</sup> It is therefore possible that current immigration regulations that seek to maintain skills thresholds are too strict for ensuring adequate workforce planning to enable the provision of quality social care services.

*Existing visa arrangements are largely unable to address labour shortages in areas of likely growth...*

## RECOMMENDATIONS

There are a number of areas where Australia's economic immigration policies can be strengthened to deal with the current and future challenges outlined above.

### POPULATION

Governments should ensure that policies are developed to enable the economic benefits of any increase in net overall migration to be distributed fairly and that the social and environmental impacts are managed properly.<sup>107</sup>

State and local governments should also provide greater settlement assistance to improve migrant retention rates in regional areas, for example by enabling attractive and well-paid employment opportunities, access to affordable housing, and quality schooling.<sup>108</sup>

### INNOVATION

Governments should consider the effectiveness of existing policies in attracting and retaining international students and skilled immigrants with higher degree qualifications in professional fields such as science and engineering that are important for improving business innovation.<sup>109</sup> More research and data is also needed to allow the relationship between immigration and innovation to be examined systematically in the Australian context.

### SUPPORT FOR TEMPORARY MIGRANTS

The Australian Government should consider amending the *Migration Act 1958* (Cth) and the *Fair Work Act 2009* (Cth) to ensure that employers



are obliged to provide the same minimum employment standards to all employees regardless of migration status and that breaches of limitations of work rights do not result in the voiding of employment contracts. These changes would improve access to employment rights for temporary migrants and undocumented workers and diminish their vulnerability to employers who coerce them into working in breach of their visa conditions.<sup>110</sup> In turn, the changes would reduce the incentive for businesses to employ undocumented workers and remove one driver of a 'race to the bottom' for wages, spreading to other vulnerable workers such as Australian youth.

*To ensure public confidence in the Fair Work Ombudsman it should be seen as an independent enforcer of employment laws.*

To remove the fear of migrants reporting underpaying employers and additionally reduce employers' incentive to hire undocumented workers, including those working in breach of their visa rules, an institutional firewall should be created between the DIBP and the Fair Work Ombudsman (FWO). That is, the FWO should cease conducting inspections on behalf of, and cease reporting breaches of visa conditions to, the DIBP. To ensure public confidence in the FWO it should be seen as an independent enforcer of employment laws. While ceasing information-sharing from the FWO to the DIBP, such a firewall could still require DIBP to defer the removal of any temporary migrant with a legitimate claim against their employer and report it to the FWO.<sup>111</sup>

The introduction of more lenient penalties for minor breaches of the rule requiring international students to work no more than 40 hours per fortnight, which if breached can lead to visa cancellation and their removal, is also recommended. While the DIBP may currently exercise discretion in such cases, it would improve public confidence in the system if the DIBP published a policy making it clear that minor infractions, unintentional breaches, and breaches under duress imposed by employers will not result in visa cancellation. This would go some way to removing the threat from unscrupulous employers to report employees to the DIBP, which was a problem highlighted in the recent 7-Eleven case.

Increased resources should be made available to the FWO, community legal centres, and migrant resource centres. These organisations have emerged as the main sources of support for underpaid temporary migrants, who often lack access to other forms of employment protection such as that provided by trade unions, which tend to be weak in the industries where temporary migrants are concentrated.

Greater information relating to workplace rights should also be provided to all temporary immigrants on arrival. This should include simplified information regarding employment rights and sources of assistance if they suffer underpayment. Unlike the more comprehensive information on minimum employment rights currently provided on the FWO's website, this information should be targeted at known commonly

underpaid jobs, for example waiters, cleaners, and shop assistants, and include basic information on minimum rates of pay under awards.

More research is needed to develop a comprehensive picture of the extent of mistreatment and underpayment of temporary migrant and undocumented workers, which would assist regulatory agencies such as the FWO to enhance strategies for addressing these problems in an efficient and resourceful manner.

#### SOCIAL SUPPORT AND COMMUNITY INTEGRATION

Policy changes designed to improve the economic integration of immigrants have overlooked the importance of ensuring that newly arrived immigrants, including international students, receive appropriate social support and assistance with community integration.<sup>112</sup> Ensuring that migrants receive sufficient social support is a feature of the Seasonal Workers Programme, which requires employer sponsors to ensure that workers have adequate pastoral care, that their wellbeing is managed, and they have access to local community services. Such provisions are necessary due to the regional and remote nature of workplaces where seasonal workers are employed, but could be extended to other visa categories to ensure that newly arrived temporary migrants receive necessary assistance during what is an uncertain time for many.

*Policy changes...have overlooked the importance of ensuring that newly arrived immigrants... receive appropriate social support and assistance with community integration.*

#### SKILLS SHORTAGES AND THE LABOUR MARKET

More research is required on the displacement effects of immigration in the Australian context.<sup>113</sup> There are undoubted advantages of using employer demand as a proxy for skills shortages given that assessments by governments and other actors tend to be retrospective. However, we support calls for the establishment of an independent mechanism to verify the existence of skills shortages before employers can sponsor workers on a 457 visa and the use of a more precise list of occupations for sponsorship.<sup>114</sup> These measures would provide more effective means than existing arrangements of ensuring that the scheme addresses the needs of the labour market as a whole rather than the recruitment difficulties of employers, which may be due to poor management practices.<sup>115</sup>

There also needs to be more research on the relationship between immigration and youth unemployment, particularly given the recent growth of temporary migrants concentrated in low-skilled occupations and sustained levels of youth unemployment and underemployment.<sup>116</sup>

#### ECONOMIC MIGRATION AND GENDER

Proposed changes that could help to address problems of gender bias in skilled immigration selection include: taking account of periods of part-time work and periods outside of the paid workforce due to family care

responsibilities when assessing candidates' visa applications; moving away from the gender distinction between primary and secondary applicants and allowing couples to apply jointly for points-based visas; greater recognition of general human capital such as education and language rather than specialist or targeted skills relating narrowly to distinct professions and occupations; using gender disaggregated data more extensively to analyse and address gender disparities arising from existing policy arrangements; and broadening the definition of 'skill' to enable the entry of care workers in female-dominated occupations, who are generally ineligible for skilled visas, to address projected workforce shortages.<sup>117</sup>

#### ADDRESSING FUTURE SKILLS SHORTAGES

There should be serious consideration of the Productivity Commission's proposal to replace the separate permanent skilled visa categories with a universal category that awards points for employer sponsorship in occupations with identified shortages, alongside other criteria for which points are currently awarded. This proposal has the potential to help meet future skills needs and enable organisations to innovate and remain globally competitive.<sup>118</sup>

Policymakers and researchers should investigate the desirability of revising skills thresholds in existing selection criteria to allow greater scope for the immigration of workers in care services, given the projected increase in demand for this work in the context of the ageing of the population.

#### CONCLUSION

*...there are various challenges...which if left unaddressed have the potential to undermine public confidence in existing economic immigration policies...*

Immigration brings change. As such, it is often a focal point for the articulation of disparate economic and social tensions and problems.<sup>119</sup> This helps to explain why immigration is an inherently controversial issue that presents many challenges to developed democracies and why increased immigration intakes are unpopular propositions in many parts of the world. In this context, the growth of economic immigration in Australia over the past two decades has been managed remarkably successfully. As we have argued in this Analysis, policies relating to economic immigration in Australia have produced broadly positive outcomes in a range of areas, most notably in terms of national population, addressing the workforce needs of regional areas and industries, and delivering beneficial fiscal impacts. The permanent and temporary skilled visa categories have been especially important in facilitating these outcomes.

Nevertheless, there are various challenges, particularly relating to temporary immigrants, which if left unaddressed have the potential to undermine public confidence in existing economic immigration policies and diminish Australia's attractiveness as a settlement destination for

global talent. Of particular concern is the weakness of immigration and employment regulations, which in many cases have failed to protect the treatment of temporary migrants at work and have equated the demands of employers too readily with the interests of the labour market as a whole. More needs to be done to address the mistreatment and underpayment of temporary migrant workers including those working in breach of their visa conditions. There need to be changes in policy that would ensure that the allocation of temporary skilled visas reflects genuine skills shortages and takes greater account of the longer-term and future needs of the labour market rather than short-term employer interests. There is also a need for policymakers to ensure that new immigrants receive adequate social assistance including with community integration and that issues relating to skills underutilisation and gender bias in immigration selection policies are addressed. The recommendations proposed in this Analysis are designed to help policymakers manage these challenges and thereby maintain support for an expansive system of economic immigration, which is good for Australia.

## **ACKNOWLEDGEMENTS**

We are grateful to Anthony Bubalo and Jiyoung Song for their guidance, and to Anna Boucher, the participants at the Lowy–DIBP workshop, and the anonymous reviewers for their helpful and constructive feedback.

## NOTES

<sup>1</sup> Graeme Hugo (2014) 'Change and continuity in Australian migration policy', *International Migration Review*, 48(3): 868–890.

<sup>2</sup> OECD (2015) *International Migration Outlook 2015*, OECD Publishing: Paris, 35.

<sup>3</sup> Jock Collins (1991) *Migrant Hands in a Distant Land* (2nd edition), Pluto Press: Sydney; Andrew Markus, James Jupp and Peter McDonald (2009) *Australia's Immigration Revolution*, Allen and Unwin: Sydney.

<sup>4</sup> Peter McDonald (2015) 'International migration and employment in Australia', *Population Review*, 54(2): 1–12.

<sup>5</sup> See, for example, Peter Mares (2016) *Not Quite Australian: How Temporary Migration in Changing the Nation*, Text: Melbourne, 207–257.

<sup>6</sup> For example, see Sara Gandolfi (2016) 'Sfruttati e sottopagati, il destino dei giovani stranieri in Australia' ('Exploited and underpaid, the fate of young foreigners in Australia'), *Corriere Della Sera* (Italy), 21 April; Hou Qiang (2016) 'Nearly all foreign student workers underpaid in Australia: Survey', *Xinhua News Agency* (China), 21 April; Senate Education and Employment References Committee (2016) *A National Disgrace: The Exploitation of Temporary Work Visa Holders*, Commonwealth of Australia: Canberra, 330.

<sup>7</sup> United Nations (2015) *Trends in International Migrant Stock: The 2015 Revision*, Department of Economic and Social Affairs, Population Division: New York, Table 4.

<sup>8</sup> Nicola Piper (2011) 'Toward a gendered political economy of migration', in Nicola Phillips (ed), *Migration in the Global Political Economy*, Lynne Rienner: Boulder CO, 61–82.

<sup>9</sup> IOM (2015) *World Migration Report 2015*, International Organization for Migration: Geneva, 14–33.

<sup>10</sup> Barry R Chiswick and Timothy J. Hatton (2002) *International Migration and the Integration of Labor Markets*, IZA Discussion Paper 559, Institute for the Study of Labor: Bonn, 1–2; John P Martin (2008) *Migration and the Global Economy: Some Stylised Facts*, Directorate for Employment, Labour and Social Affairs, Organisation for Economic Cooperation and Development: Paris, p 3.

<sup>11</sup> United Nations (2015) *op cit*, Table 3.

<sup>12</sup> For example, see Stephen Castles, Hein De Haas and Mark J. Miller (2014) *The Age of Migration: International Population Movements in the Modern World* (5th Edition), Guilford Press: New York.

<sup>13</sup> OECD (2015), *op cit*, 22.

<sup>14</sup> Graeme Hugo (2006) 'Australia's experience in skilled migration', in Christiane Kuptsch and Pang Eng Fong (eds) *Competing for Global Talent*, International Institute for Labour Studies: Geneva, 107–154.

<sup>15</sup> For example, see Robert Gregory (2014) *The Two-Step Australian Immigration Policy and its Impact on Immigrant Employment Outcomes*, IZA Discussion Paper No 8061, Institute for the Study of Labor, Bonn; Leslyanne Hawthorne (2010) 'How valuable is "two-step migration"? Labor market outcomes for international student migrants to Australia', *Asia-Pacific Migration Journal*, 9(1): 5–36.

<sup>16</sup> Chris F. Wright (2015) 'Why do states adopt liberal immigration policies? The policymaking dynamics of skilled visa reform in Australia' *Journal of Ethnic Migration Studies*, 41(2): 306–328.

<sup>17</sup> *Ibid.*

<sup>18</sup> Hugo (2014), *op cit.*, 878.

<sup>19</sup> Department of Immigration and Border Protection (2016) *Temporary entrants and New Zealand Citizens in Australia*, Commonwealth of Australia: Canberra.

<sup>20</sup> Department of Education, Science and Training (2007) *Supplementary Submission to House of Representatives Standing Committee of Economics, Finance and Public Administration Inquiry into the Current and Future Directions of Australia's Services Export Sector*, Supplementary Submission No 47, Commonwealth of Australia: Canberra, 1; Deloitte Access Economics (2015) *The Value of International Education to Australia*, Department of Education and Training: Canberra, 1.

<sup>21</sup> Stephen Howells (2011) *Report of the 2010: Review of the Migration Amendment (Employer Sanctions) Act 2007*, Commonwealth of Australia: Canberra, 12.

<sup>22</sup> DIBP (2014) *Australia's Migration Trends 2013–2014*, Department of Immigration and Border Protection: Canberra, 69.

<sup>23</sup> Stephen Clibborn (2015b) 'Why undocumented immigrant workers should have workplace rights', *Economic and Labour Relations Review*, 26(3): 465–473.

<sup>24</sup> John Azarias, Jenny Lambert, Peter McDonald and Katie Malyon (2014) *Robust New Foundations: An Independent Review into Integrity in the Subclass 457 Programme*, Department of Immigration and Border Protection: Canberra, 32.

<sup>25</sup> DIBP (2015) *2014–15 Migration Programme Report: Programme Year to 30 June 2015*, <https://www.border.gov.au/ReportsandPublications/Documents/statistics/2014-15-Migration-Programme-Report.pdf>, 16.

<sup>26</sup> For example, see Stephen Clibborn (2016) 'Degrees of exploitation: Why international students in Australia are underpaid', Paper presented at the Association of Industrial Relations Academics of Australia and New Zealand Annual Conference, Sydney, 12 February; Alexander Reilly (2015) 'Low-cost labour or cultural exchange? Reforming the Working Holiday visa programme', *Economic and Labour Relations Review*, 26(3): 474–489; Yan Tan and Laurence H Lester (2012) 'Labour market and economic impacts of international working holiday temporary migrants to Australia', *Population, Space and Place*, 18(3): 359–383.

<sup>27</sup> A primary sponsored applicant is the overseas skilled worker who is nominated by an employer to work temporarily in Australia in a specific occupation. A secondary applicant is a member of the primary sponsored person's family who is also included in primary sponsored person's application.

<sup>28</sup> Source: DIBP (2016) Subclass 457 visas granted pivot table: 2015–16 to 30 June 2016 – comparison with previous years, Commonwealth Australia: Canberra, <http://data.gov.au/dataset/visa-temporary-work-skilled>.

<sup>29</sup> See Anna Boucher (2016a) *Gender, Migration and the Global Race for Talent*, Manchester University Press: Manchester.

<sup>30</sup> Jock Collins (2003) 'Cultural diversity and entrepreneurship: Policy responses to immigrant entrepreneurs in Australia', *Entrepreneurship & Regional Development*, 15(2): 137–149; Lucy Taksá and Dimitria Groutsis (2010) 'Managing diverse commodities? From factory fodder to business asset', *Economic and Labour Relations Review*, 20(2): 77–97.

<sup>31</sup> Klaus F Zimmermann (2005). 'European labour mobility: Challenges and potentials', *De Economist*, 153(4): 425–450.

<sup>32</sup> For example, Treasury (2007) Intergenerational Report 2007, Commonwealth of Australia: Canberra, 11.

<sup>33</sup> Mark Cully (2011) 'How much do migrants account for the unexpected rise in labour force participation in Australia over the past decade?' Paper prepared for the Australian Conference of Economics.

<sup>34</sup> Hugo (2014) *op cit.*, 883.

<sup>35</sup> Productivity Commission (2016) Migrant Intake into Australia: Inquiry Report, Australian Government: Canberra; see also Peter McDonald and Jeromey Temple (2010) Immigration, Labour Supply and Per Capita Gross Domestic Product: Australia 2010–2050, Australian Demographic and Social Research Institute: Canberra.

<sup>36</sup> Graeme Hugo (2004) A New Paradigm of International Migration: Implications for Migration Policy and Planning in Australia, Parliamentary Library Research Paper No 10, 2003–2004, Department of Parliamentary Services: Canberra, 62–65.

<sup>37</sup> Australian Bureau of Statistics (2016) Overseas Arrivals and Departures, Australia, 3401.0, Commonwealth of Australia: Canberra.

<sup>38</sup> Markus *et al.* (2009) *op cit.*, 65.

<sup>39</sup> Roslyn Cameron (2011) 'Responding to Australia's regional skill shortages through regional skilled migration', *Journal of Economic and Social Policy*, 14(3): 1–33.

<sup>40</sup> Simon Massey and Nick Parr (2012) 'The socio-economic status of migrant populations in regional and rural Australia and its implications for future population policy', *Journal of Population Research*, 29(1): 1–21.

<sup>41</sup> Andrew J. Taylor, Lauren Bell and Rolf Gerritsen (2014). 'Benefits of skilled migration programs for regional Australia: Perspectives from the Northern Territory', *Journal of Economic and Social Policy*, 16(1): 1–23.

<sup>42</sup> Graeme Hugo (2008) 'Australia's state-specific and regional migration scheme: An assessment of its impacts in South Australia'. *Journal of International Migration and Integration*, 9(2): 125–145.



- <sup>43</sup> Senate Standing Committee on Employment, Workplace Relations and Education (2006) *Perspectives on the Future of the Harvest Labour Force*, Commonwealth of Australia: Canberra, 5.
- <sup>44</sup> OECD (2015) *op cit.*, 30.
- <sup>45</sup> Productivity Commission (2016) *op cit.*, 13.
- <sup>46</sup> Lesleyanne Hawthorne (2005) “Picking winners”: The recent transformation of Australia’s skilled migration policy’, *International Migration Review*, 39(3): 663–696.
- <sup>47</sup> For example, see Richard Bridge (2001) ‘Migrants in the Australian labour market – Some trends and developments’, *People and Place*, 9(1): 2–11; Productivity Commission (2006) *Economic Impacts of Migration and Population Growth*, Commonwealth of Australia: Melbourne, 166; Chris F. Wright (2016) ‘Control signals and the social policy dimensions of immigration reform’, in Gary P. Freeman and Nikola Mirilovic (eds), *Handbook on Migration and Social Policy*, Edward Elgar: Cheltenham, 161–179.
- <sup>48</sup> Hugo (2014) *op cit.*, p 879; Productivity Commission (2016) *op cit.*, p 293.
- <sup>49</sup> Gareth Larsen (2013) *The Subclass 457 Visa: A Quick Guide*, Parliamentary Library Research Paper, Parliament of Australia: Canberra; Productivity Commission (2016) *op cit.*, 293.
- <sup>50</sup> Dean Parham, Hang To, Nazrum Ratna, Sue Regan and Quentin Grafton (2015) *Migration and Productivity in Australia*, Australian National University: Canberra, 15.
- <sup>51</sup> Paul H Jensen (2014) ‘Understanding the impact of migration on innovation’, *Australian Economic Review*, 47(2): 240–250.
- <sup>52</sup> For example, Department of Industry, Innovation and Science (2015) *Australian Innovation System Report 2015*, Commonwealth of Australia: Canberra, 1–6.
- <sup>53</sup> For example, see Patrick Gaule and Mario Piacentini (2013) ‘Chinese graduate students and US scientific productivity’, *Review of Economics and Statistics*, 95(2): 698–701; Jensen (2014) *op cit.*; Barbara Jones (2012) *Innovation and Human Resources: Migration Policies and Employment Protection Policies*, Manchester Institute of Innovation Research, University of Manchester.
- <sup>54</sup> Richard B Freeman (2014) *Immigration, International Collaboration, and Innovation: Science and Technology Policy in the Global Economy*, NBER Working Paper No. 20521, National Bureau of Economic Research, Cambridge MA.
- <sup>55</sup> David C. Maré, Richard Fabling and Steven Stillman (2014) ‘Innovation and the local workforce’, *Papers in Regional Science*, 93(1): 183–201.
- <sup>56</sup> Massimiliano Bratti and Chiara Conti (2014) *The Effect of (Mostly Unskilled) Immigration on the Innovation of Italian Regions*, IZA Discussion Paper, No 7922, Institute for the Study of Labor: Bonn.
- <sup>57</sup> For example, see Robert MacKenzie and Chris Forde (2009), ‘The rhetoric of the “good worker” versus the realities of employers’ use and the experiences of migrant workers’, *Work, Employment & Society*, 23(1): 142–159; Martin Ruhs and Brigid Anderson (2010) *Who Needs Migrant Workers? Labour Shortages, Immigration, and Public Policy*, Oxford University Press: Oxford.

- <sup>58</sup> Roger Smith (2011) *Immigration and the Innovation Agenda*, Working Paper, Department of Innovation, Industry, Science and Research: Canberra.
- <sup>59</sup> Jensen (2014) *op cit.*
- <sup>60</sup> Productivity Commission (2016) *op cit.*, 147–189.
- <sup>61</sup> Lesleyanne Hawthorne (2013) 'Skilled enough? Employment outcomes for recent economic migrants in Canada compared to Australia', in Triadafilos Triadafilopoulos (ed.) *Wanted and Welcome? Policies for Highly Skilled Immigrants in Comparative Perspective*, Springer: New York, 219–253; Demetrios G. Papademetriou and Madeleine Sumption (2011) *Eight Policies to Boost the Economic Contribution of Employment-Based Immigration*, Migration Policy Institute: Washington DC.
- <sup>62</sup> Productivity Commission (2016) *op cit.*, 154–159.
- <sup>63</sup> Bob Birrell, Lesleyanne Hawthorne and Sue Richardson (2006) *Evaluation of the General Skilled Migration Categories*, Department of Immigration and Multicultural Affairs: Canberra; Lesleyanne Hawthorne and Anna To (2014) 'Australian employer response to the study migration pathway: The quantitative evidence 2007–2011', *International Migration*, 52(3): 99–114.
- <sup>64</sup> Hawthorne and To (2014) *op cit.*, 102; Shanthi Robertson, Lynnel Hoare and Aramiha Harwood (2011) 'Returnees, student-migrants and second chance learners: Case studies of positional and transformative outcomes of Australian international education', *Compare: A Journal of Comparative and International Education*, 41(5): 685–698.
- <sup>65</sup> Frederic Docquier, Caglar Ozden and Giovanni Peri (2013) 'The labour market effects of immigration and emigration in OECD countries', *The Economic Journal*, 124(579): 1106–1145.
- <sup>66</sup> Productivity Commission (2016) *op cit.*, 9–11.
- <sup>67</sup> Joshua Healy (2016) 'The Australian labour market in 2015', *Journal of Industrial Relations*, 58(3): 308–323.
- <sup>68</sup> Graeme Hugo, Helen Feist, George Tan and Kevin Harris (2015) *Population Dynamics in Regional Australia*, Regional Australia Institute: Canberra.
- <sup>69</sup> For example, Robert Breunig, Nathan Deutscher and Hang Thi To (2015) 'The relationship between immigration to Australia and the labour market outcomes of Australian-born workers', Working paper, Australian National University.
- <sup>70</sup> Anna Boucher (2016b) 'Australia's de facto low skilled labour migration program and its labour market consequences', Centre for Economic Development of Australia: Melbourne, forthcoming.
- <sup>71</sup> Adele Ferguson and Klaus Toft (2015) *The price of convenience*, ABC *Four Corners*, 31 August; Adele Ferguson, Sarah Danckert and Klaus Toft (2015) *7-Eleven: A sweatshop on every corner*, *Sydney Morning Herald*, 29 August.
- <sup>72</sup> Productivity Commission (2015) *Workplace Relations Framework: Inquiry Report*, Commonwealth of Australia: Canberra; Senate Education and Employment References Committee (2016) *op cit.*
- <sup>73</sup> Simon Marginson, Chris Nyland, Erlenawati Sawir and Helen Forbes-Mewett (2010) *International Student Security*, Cambridge University Press: Cambridge; Yao-Tai Li (2015) 'Constituting co-ethnic exploitation: The economic and cultural meanings of cash-in-hand jobs for ethnic Chinese migrants in Australia', *Critical*

*Sociology*, Online First, doi: 10.1177/0896920515606504; Iain Campbell, Joo-Cheong Tham and Martina Boese (forthcoming) 'Inhospitable workplaces? International students and paid work in food services', *Australian Journal of Social Issues*.

<sup>74</sup> Elsa Underhill and Malcolm Rimmer (2016) 'Layered vulnerability: Temporary migrants in Australian horticulture', *Journal of Industrial Relations*, Online First, doi:10.1177/0022185615600510.

<sup>75</sup> Stephen Clibborn (2015a) Post-draft submission, Productivity Commission Inquiry into the Workplace Relations Framework, [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0010/193465/subdr0353-workplace-relations.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0010/193465/subdr0353-workplace-relations.pdf).

<sup>76</sup> For example: Fair Work Ombudsman (2016) 'Motel operators face court after Filipino workers allegedly short-changed more than \$261,000', Media release, 9 May; Fair Work Ombudsman (2016) 'Café faces Court for allegedly requiring cook to pay back wages in exploitative cash-back scheme', Media release, 22 July; Fair Work Ombudsman (2016) '\$90,000 penalties for contractors who paid their trolley collectors as little as \$8 an hour', Media release, 26 July; Fair Work Ombudsman (2015) Annual Report 2014–15, Australian Government: Melbourne; Fair Work Ombudsman (2016) 'Woolworths trolley collection services', Media release, 25 June; Fair Work Ombudsman (2016) Inquiry into the Wages and Conditions of People Working under the 417 Working Holiday Visa Program, Commonwealth of Australia: Canberra.

<sup>77</sup> Li (2015) *op cit.*; Selvaraj Velayutham (2013) 'Precarious experiences of Indians in Australia on 457 temporary work visas', *Economic and Labour Relations Review*, 24(3): 340–361.

<sup>78</sup> Clibborn (2015a) *op cit.*; Laurie Berg (2016) *Immigrant Rights at Work: Law's Precariousness at the Intersection of Immigration and Labour*, Routledge: London.

<sup>79</sup> Clibborn (2015a) *op cit.*

<sup>80</sup> *Ibid.*

<sup>81</sup> Tess Hardy and John Howe (2009) 'Partners in enforcement? The new balance between government and trade union enforcement of employment standards in Australia', *Australian Journal of Labour Law*, 23(3): 306–336.

<sup>82</sup> Alan Simmons cited in Hugo (2014) *op cit.* Shanthi Robertson and Anjena Runganaikaloo (2013) 'Lives in limbo: Migration experiences in Australia's education–migration nexus', *Ethnicities*, 14(2): 208–226.

<sup>83</sup> *Ibid.*

<sup>84</sup> Shanthi Robertson (2011) 'Student switchers and the regulation of residency: The interface of the individual and Australia's immigration regime', *Population, Space and Place*, 17(1): 103–115.

<sup>85</sup> Mary Crock (2002) 'Contract or compact: Skilled migration and the dictates of politics and ideology', in Mary Crock and Kerry Lyon (eds), *Nation Skilling: Migration, Labour and the Law*, Desert Pea Press: Sydney, 49–66.

<sup>86</sup> Chris F Wright (2014) 'How do states implement liberal immigration policies? Control signals and skilled immigration reform in Australia', *Governance*, 27(3): 397–421.

- <sup>87</sup> Roslyn Cameron and Jennifer L. Harrison (2013) 'The use of temporary skilled migration in Australian organisations', *International Journal of Organizational Analysis*, 21(2): 104–123; Siew-Ean Khoo, Peter McDonald, Carmen Voigt-Graf and Graeme Hugo (2007) 'A global labor market: Factors motivating the sponsorship and temporary migration of skilled workers to Australia', *International Migration Review*, 41(2): 480–510.
- <sup>88</sup> Phillip Toner and Richard Woolley (2008) 'Temporary migration and skills formation in the trades: A provisional assessment', *People and Place*, 16(3): 47–57.
- <sup>89</sup> PN (Raja) Junankar (2009). Was there a Skills Shortage in Australia? IZA Discussion Paper 4651, Institute for the Study of Labor: Bonn.
- <sup>90</sup> Chris F. Wright and Andreea Constantin (2015) An Analysis of Employers' Use of Temporary Skilled Visas in Australia, Submission to the Senate Education and Employment References Committee Inquiry into the Impact of Australia's Temporary Work Visa Programs on the Australian Labour Market and on the Temporary Work Visa Holders.
- <sup>91</sup> Joanna Howe (2013) 'Is the net cast too wide? An assessment of whether the regulatory design of the 457 visa meets Australia's skill needs', *Federal Law Review*, 41: 443–470; Wright and Constantin (2015) *op cit.*, 2–3.
- <sup>92</sup> Ruhs and Anderson (2010) *op cit.*, 1–14.
- <sup>93</sup> Joshua Healy, Kostas Mavromaras and Peter J. Sloane (2012) Skill Shortages: Prevalence, Causes, Remedies and Consequences for Australian Businesses. NCVET Monograph Series 09/2012, National Centre for Vocational Education Research: Adelaide; Junankar (2009) *op cit.*, 3.
- <sup>94</sup> Wright and Constantin (2015) *op cit.*, 30–36.
- <sup>95</sup> Damian Oliver and Chris F. Wright (2016) 'Australia's shifting skills ecosystem: Contemporary challenges in education, training and immigration', in Keith Hancock and Russell D. Lansbury (eds), *Industrial Relations Reform: Looking to the Future*, Federation Press: Sydney, 163–186.
- <sup>96</sup> Productivity Commission (2016) *op cit.*
- <sup>97</sup> Lesleyanne Hawthorne (2015) 'The impact of skilled migration on foreign qualification recognition reform in Australia', *Canadian Public Policy*, 41(s1): s173–s187.
- <sup>98</sup> Anna Boucher (2015). 'Marketisation of immigrant skills assessment in Australia', in Gabrielle Meagher and Susan Goodwin (eds), *Markets, Rights and Power in Australian Social Policy*, Sydney University Press: Sydney, 293–321.
- <sup>99</sup> Anna Boucher (2007). 'Skill, migration and gender in Australia and Canada: The case of gender-based analysis', *Australian Journal of Political Science*, 42(3), 383–401; Boucher (2016a) *op cit.*, 178–181.
- <sup>100</sup> CEDA (2015) Australia's Future Workforce? Committee for Economic Development of Australia: Melbourne, 56.
- <sup>101</sup> CEDA (2015) *op cit.*, 217.
- <sup>102</sup> Demetrios G Papademetriou and Madeleine Sumption (2011) Rethinking Points Systems and Employer-Selected Immigration, Migration Policy Institute: Washington, DC.

- <sup>103</sup> Productivity Commission (2016) *op cit.*, 459–462.
- <sup>104</sup> Wright (2014) *op cit.*, 397–399.
- <sup>105</sup> Graeme Hugo (2007) ‘Contextualising the “crisis in aged care” in Australia: A demographic perspective’, *Australian Journal of Social Issues*, 42(2): 169–182.
- <sup>106</sup> Joel Negin, Jenna Coffman, John Connell and Stephanie Short (2016) ‘Foreign-born aged care workers in Australia: A growing trend’, *Australasian Journal on Ageing*, Online First, DOI: 10.1111/ajag.12321.
- <sup>107</sup> Productivity Commission (2016) *op cit.*, 221–292.
- <sup>108</sup> Hugo (2008) *op cit.*, 143–144.
- <sup>109</sup> Freeman (2014) *op cit.*, 1, 20.
- <sup>110</sup> Clibborn (2015a) *op cit.*; Berg (2016) *op cit.*; Joo-Cheong Tham (2015) Supplementary submission to the Senate Education and Employment References Committee inquiry into The impact of Australia’s temporary work visa programs on the Australian labour market and on temporary work visa holders.
- <sup>111</sup> Berg (2016) *op cit.*, 291–292.
- <sup>112</sup> For example, see Nyland *et al.* (2009) *op cit.*, 2–3, 12; Robertson (2011) *op cit.*, 112–113.
- <sup>113</sup> Susanne Bahn, Llandis Barratt-Pugh and Ghialy Yap (2012) ‘The employment of skilled migrants on temporary 457 visas in Australia: Emerging issues’, *Labour and Industry*, 22(4): 379–398.
- <sup>114</sup> Azarias *et al.* (2014) *op cit.*; Howe (2013) *op cit.*, 460.
- <sup>115</sup> Ruhs and Anderson (2010) *op cit.*, 6.
- <sup>116</sup> Boucher (2016b) *op cit.*, 43–54.
- <sup>117</sup> Boucher (2007) *op cit.*, 395–398; Boucher (2016a) *op cit.*, 178–181.
- <sup>118</sup> Productivity Commission (2016) *op cit.*, 459–462.
- <sup>119</sup> Christina Boswell (2004) ‘Knowledge transfer and migration policymaking’, Special Lecture on Migration, International Labour Organization, Geneva.

## ABOUT THE AUTHORS



*Chris F Wright*

**Chris F Wright** is a Research Fellow in the Discipline of Work and Organisational Studies at the University of Sydney Business School. He has a PhD in politics and international studies from the University of Cambridge. His research covers various issues relating to the intersection of employment, globalisation and public policy, with a particular interest in immigration, labour market regulation and supply chains. Chris is the author of over 40 scholarly books, book chapters and articles in leading business, political science and economics journals.

Chris F Wright  
[chris.f.wright@sydney.edu.au](mailto:chris.f.wright@sydney.edu.au)



*Stephen Clibborn*

**Stephen Clibborn** is an Associate Lecturer in the Discipline of Work and Organisational Studies at the University of Sydney Business School. After a career as an employment lawyer, he earned his PhD from the University of Sydney in 2013. His current primary research interest is in the regulation and work experiences of low-waged migrant workers, both with and without work authorisation.

Stephen Clibborn  
[stephen.clibborn@sydney.edu.au](mailto:stephen.clibborn@sydney.edu.au)



*Nicola Piper*

**Nicola Piper**, a political sociologist, is Professor of International Migration at the University of Sydney and is Director of the Sydney Asia Pacific Migration Centre. Other appointments or roles held by her include Affiliate Professorial Fellows at the Arnold Bergstraesser Institute, Freiburg University/Germany, external adviser on migration research to the UN Research Institute for Social Development, Geneva, and co-founder and Vice-President of the Global Migration Policy Associates initiative. Nicola's research focuses on international migration for work, migrants' labour and social rights, the global and regional governance of migration, and gender and migration.

Nicola Piper  
nicola.piper@sydney.edu.au



*Nicole Cini*

**Nicole Cini** works at the University of Sydney as a Research Assistant and at the University of Toronto as a Human Resources Project and Policy Specialist. Nicole has 10 years' experience in the field of employee and labour relations including academic research in flexible work arrangements, gender and superannuation, strategic enforcement theory and labour migration patterns. She graduated with a Juris Doctor from the University of Technology in 2014, with an honours thesis on trends of underpayment in the Australian hospitality industry.

Nicole Cini  
nicole.cini@sydney.edu.au



**LOWY INSTITUTE**  
FOR INTERNATIONAL POLICY

Level 3, 1 Bligh Street  
Sydney NSW 2000 Australia

Tel: +61 2 8238 9000  
Fax: +61 2 8238 9005

[www.lowyinstitute.org](http://www.lowyinstitute.org)  
twitter: @lowyinstitute