

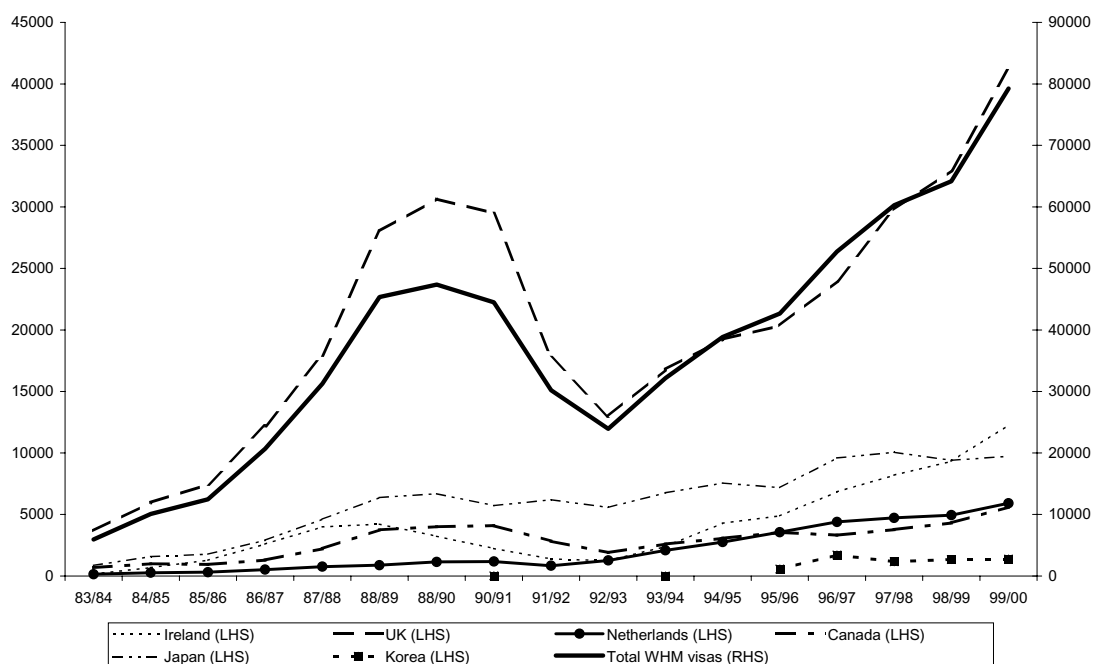
2. WHM and tourist arrivals

a. Trends in WHMs and tourist visas

WHM temporary residents by country and length of stay

During 1999-2000, 79 900 WHM residents arrived in Australia. The overwhelming majority came from the seven arrangement WHM countries (excluding Germany) and only a few hundred Working Holiday visa holders arrived from non-arrangement countries. Figure 1 shows that since 1983-84 around half the Working Holiday visa arrivals in any year have been from young people born in the United Kingdom. Japan and Ireland are the next most common source of WHM residents with shares of approximately 14 per cent each. Canada and the Netherlands currently provide 5 to 8 per cent of WHMs each and Korea 2 per cent. A negligible number were born in Malta. Between 1983-84 and 1998-99, the number of Working Holiday visa arrivals grew by 17.2 per cent a year on average. However, arrivals, especially from the UK, Canada and Ireland, appear to be positively correlated with the level of economic activity in the major industrialised economies.

Figure 1. Number of Working Holiday maker visa arrivals by country, 1983-84 to 1999-2000.



Source: Appendix C, Table C 1.

Table 1 shows the trend in the median length of stay by country of origin. Average stays are presented in Table C 2 (Appendix C). Both the median and average stay lengths have shown a positive trend in the 16 years to 1999-2000. During 1983-84, about 50 per cent of all WHMs stayed for 7 months. The variation between countries ranged from 6.5 months for about half the WHMs from Japan, to 8 months stay for half

the WHMs from the Netherlands. By 1999-2000, about 50 per cent of all WHMs were staying for one year. About half of all WHMs from Ireland, UK, Malta and Korea stay for the maximum of 12 months. About half the WHMs from the Netherlands and Canada stay the shortest time (8.5 and 10 months respectively). Average stays are slightly lower than the median indicating a left hand skew in the frequency distribution of stay lengths. The estimated average stay for all WHMs was 9 months in 1999-2000. UK, Ireland and Korea have the longest average stays (over 9 months) and The Netherlands has the shortest stay (7.2 months). Similar to the medians, however, there is relatively little variation between countries. Most Working Holiday visaed arrivals stay close to the maximum time permitted.

Table 1. Median Length of stay for working holiday makers total and selected countries (months), 1983-84 to 1999-2000

Year	Ireland	UK	Nether-lands	Malta	Canada	Japan	Korea	Total
83-84	6.89	7.36	7.98	7.48	6.59	6.75		7.16
84-85	8.51	8.40	10.44	7.48	6.52	6.60		7.88
85-86	10.73	8.34	11.14		6.83	6.83		8.16
86-87	12.00	9.14	9.63		6.74	6.74		8.71
87-88	12.00	10.56	10.03		6.97	6.90		9.57
88-89	12.00	10.90	10.87	7.93	6.97	6.57		9.70
89-90	12.00	10.90	8.89	11.10	7.28	8.80		10.08
90-91	12.00	9.54	9.55	7.59	7.64	12.00	7.48	9.58
91-92	10.90	9.55	11.69	12.00	8.18	12.00		9.97
92-93	12.00	11.43	10.40	12.00	8.80	12.00		11.85
93-94	12.00	10.90	8.35	12.00	9.27	12.00	12.00	10.78
94-95	12.00	11.42	9.22	8.06	9.64	11.26		11.15
95-96	12.00	11.88	8.67	12.00	9.60	9.88	8.68	10.99
96-97	12.00	12.00	8.48	12.00	10.43	12.00	10.87	12.00
97-98	12.00	12.00	8.98	9.49	10.51	12.00	12.00	12.00
98-99	12.00	11.97	8.72	12.00	9.63	10.82	12.00	11.88
99-00	12.00	12.00	8.43	12.00	9.90	11.32	12.00	12.00

Source: Department of Immigration and Multicultural Affairs, Visa Arrival Statistics.

Source countries for young tourists

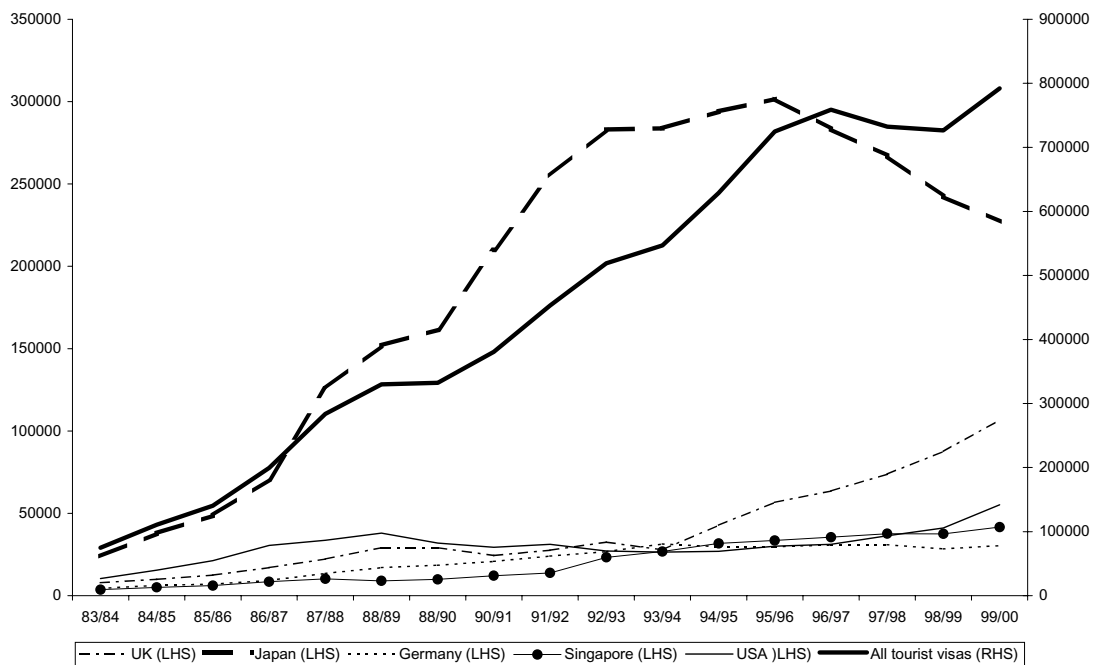
WH visaed arrivals are classified as temporary residents. However, most young people wishing to visit Australia for recreational purposes arrive on a normal tourist visa. There were about 790 000 tourist arrivals aged 18 to 30 years in 1999-2000 of whom about half (52 per cent) came from WHM countries (see Appendix C Table C 3 and C 4). These visitors were in addition to the 79 000 WHM temporary resident arrivals described above. Since 1983-84, around a third of all tourist visa arrivals in this age group have come from Japan and around one tenth from the United Kingdom. The remaining half came mainly (in numerical order) from the USA, Singapore, Germany, Switzerland, Italy, Denmark, South Africa and India. Between 1983-84 and 1998-99, the number of tourist visas for people aged 18 to 30 years has been growing at 16.4 per cent a year. However, as indicated in Figure 2, tourist arrivals appear to be less affected by the level of economic activity than the WHM arrivals.

The length of stay for all tourists aged 18 to 30 years has remained fairly constant over the period 1983-84 to 1999-2000 at 2 weeks for most people. Table C 5 and C 6 (in Appendix C) however reveal that this

average masks considerable variation between countries. Japan has consistently recorded the lowest stay by half its tourists (one week) and Israel the longest (4 to 6 months). Other countries with stays at about 2.5 months were Switzerland and Denmark. The length of stay for about 50 per cent of tourists from Singapore was 2 weeks and for the USA and India it was less than three weeks. Visitors from most other countries enjoyed stays of about one month. By 1999-2000, the median length of stay had decreased a little. The stays by 50 per cent of WHMs were 4 months for Israel, 2 months for Switzerland, just over one month for Denmark and the Netherlands, and just over two weeks for India and the USA. Most other countries were about 3 weeks.

In both the seven arrangement WHM countries (excluding Germany) and the ten non-WHM countries, the average length of stay for tourist visa holders generally decreased over the period 1983-84 to 1999-2000 as the total numbers rose.

Figure 2. Number of arrivals with a tourist visa for people aged 18 to 30, main countries, 1983-84 to 1999-2000



Source: Appendix C Table C 3 and C 4.

b. Estimated effects on visas of an extension of the WHM scheme

Estimates of the number of young people from non-WHM designated countries who would seek to enter Australia on a Working Holiday visa if the opportunity was available have been extrapolated from comparative trends in WHM source countries. Table 2 presents a summary of the proportion of youth in the most common source countries who chose to visit Australia for extended stays of between 3 and 12 months. During 1994-95 to 1996-97 the percentage of source country youth who chose to visit Australia on a tourist visa was 0.027 per cent for WHM countries and 0.022 per cent for non-WHM countries. If Working Holiday visas are included, the combined percentage for WHM countries rises to 0.130 per cent.

Table 2. Youth arrivals as a percentage of youth population in source countries^(a), 1994-95 to 1996-97

Arrival type	7 WHM countries	8 non-WHM countries^(b)
Tourist staying 3 to 12 months	0.027	0.022
Tourist staying 3 to 12 months <u>plus</u> WHMs	0.130	

Note: ^(a) Visas are for 18 to 30 year olds. Population includes only 20 to 29 year olds. Missing population data has been estimated by extrapolation.

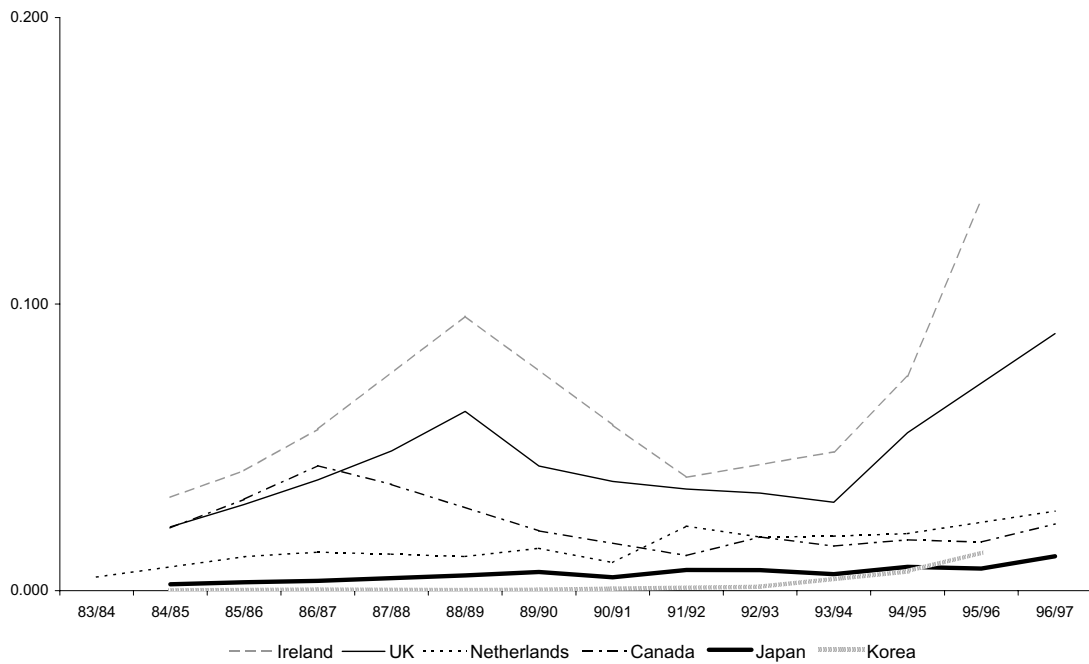
^(b) Italy, Germany, Switzerland, Denmark, Israel, Singapore, USA, South Africa.

Sources: Department of Immigration and Multicultural Affairs, Visa Arrival Statistics and United Nations Yearbooks.

Extending Working Holiday visas to additional countries may result in additional youth seeking to enter the country rather than a substitution of visa types, if the comparable percentages for extended tourist stays across the two groups is due to common systematic socio-economic factors. The fact that the average percentage of youth arriving as (long stay) tourists is similar between the two types of countries suggests there are common factors and that WHMs may add to demand for travel to Australia rather than just alter the composition of visa types.

However, important differences exist between countries. Figure 3 to 5 show that there is considerable variation across countries in the proportion of youth who enter Australia via either as a WHM or a long stay tourist. Accordingly, it is probably not reasonable to assume that the introduction of Working Holiday visas will have the same effect on each country. Compared with other youth, Irish and Dutch youth are considerably more likely to take a Working Holiday visa compared with a tourist visa.

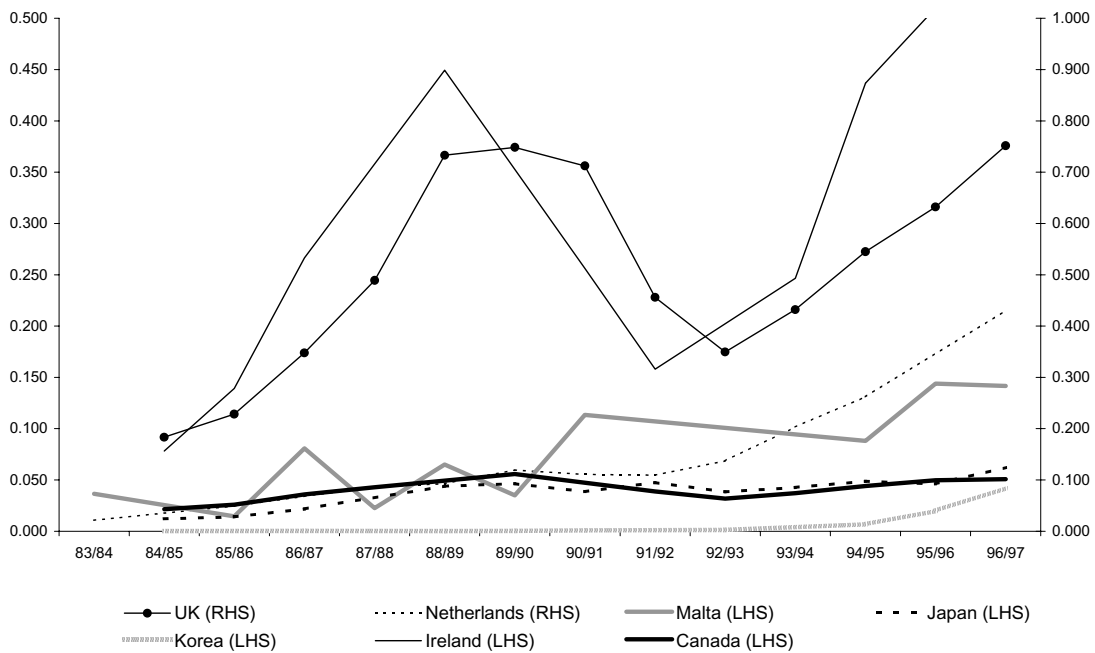
Figure 3. Percentage of source country youth* staying on tourist visa 3 to 12 months, WHM countries, 1983-84 to 1998-99



Note: * Visas are for 18 to 30 year olds. Population includes only 20 to 29 year olds. Missing population data has been estimated by extrapolation.

Sources: Department of Immigration and Multicultural Affairs, Visa Arrival Statistics and United Nations Yearbooks.

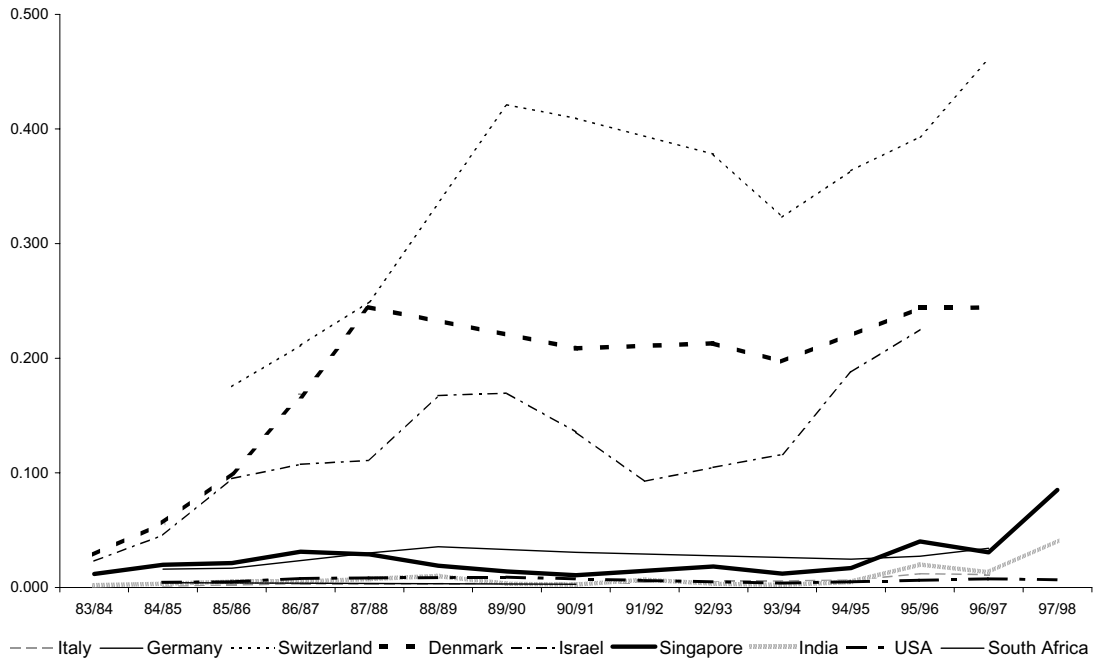
Figure 4. Percentage of source country youth* staying on tourist visa 3 to 12 months or Working Holiday visa, WHM countries, 1983-84 to 1998-99



Note: * Visas are for 18 to 30 year olds. Population includes only 20 to 29 year olds. Missing population data has been estimated by extrapolation.

Sources: Department of Immigration and Multicultural Affairs, Visa Arrival Statistics and United Nations Yearbooks.

Figure 5. Percentage of source country youth* staying on tourist visa 3 to 12 months, non-WHM countries, 1983-84 to 1998-99



Note: * Visas are for 18 to 30 year olds. Population includes only 20 to 29 year olds. Missing population data has been estimated by extrapolation.

Sources: Department of Immigration and Multicultural Affairs, Visa Arrival Statistics and United Nations Yearbooks.

Table 3 shows the relative frequency of travel to Australia by youth from the main WHM countries.

Broadly speaking it shows that the countries with higher tendencies to arrive as long stay tourists are also the countries more likely to arrive on a Working Holiday visa. Working Holiday visas are considerably more popular than a tourist visa for arrivals who intend to stay over three months.

Table 4 presents the estimated annual WHM arrival rates for selected non-WHM countries if we assume that:

- long stay tourist rates remain the same;
- the European countries have that same WHM-long stay tourist multiple (around three) as the UK;
- the USA has the same (around three) as Canada; and
- Singapore has the same (around four) as Japan.

The seven selected non-WHM countries include Italy, Germany, Switzerland, Denmark, Israel, Singapore, and USA. These estimates represent the numbers who are expected to arrive after knowledge about the scheme becomes widespread within the source country. It does not take into account any socio-economic change that has been making long stay travel more common for youth around the industrialised world.

The introduction of the scheme takes many years for word of mouth and experience to make it a popular travel choice for youth. As the time series (see Section 2) shows, it could well take 5 to 10 years before

numbers achieve this level. These estimates assume a certain level of knowledge of the scheme within the culture.

This method predicts that extending the WHM scheme to these seven countries would add an extra 52 000 WHM to the economy each year in addition to the 80 000 currently arriving. Over half of these youth would arrive from Switzerland, Germany and the USA.

Table 3: Ratios of long stay tourist^(a) and Working Holiday visas to youth population by country, 1996-97

Year	Ireland	UK	Netherlands	Malta	Canada	Japan	Korea
Tourist visas as a proportion of youth 20 to 29 years	0.127	0.089	0.028	0.040	0.023	0.012	0.022
WH visas as proportion of youth 20 to 29 years	1.238	0.286	0.187	0.102	0.078	0.050	0.020
Ratio WHM to tourist	9.75	3.19	6.75	2.55	3.35	4.20	0.91

Notes: ^(a) 3 to 12 months.

Table 4: Estimated youth (20-29 years) population who would arrive as a WHM, 7 selected non-WHM countries per annum

Country	Percentage of youth arriving as long stay tourist (1996-97)	Estimated percentage of youth arriving as WHM	Average youth population (1996-97)	Estimated WHM applications
	(a)	(b)	(c)	(b) × (c)
Italy	0.01	0.03	8,958,733	3,012
Germany	0.03	0.10	10,969,381	11,274
Switzerland	0.46	1.38	958,988	13,257
Denmark	0.24	0.73	767,902	5,628
Israel	0.23	0.68	883,900	6,003
Singapore	0.03	0.04	491,300	220
USA	0.01	0.03	36,566,827	12,294
Total				51,688

* Note: percentages have been rounded to two decimal points.

3. Effects on the supply of labour

a. WHM supply of labour

According to the survey of departing WHMs, the broad picture of the typical WHM is a young man or woman from an English speaking country who is better educated than the average member of the Australian workforce but is prepared to undertake jobs that are disproportionately low skilled.

Basic characteristics

There were slightly more females than males sampled in the survey (54 per cent and 46 per cent respectively). Table 5 shows that the proportion of female WHMs was higher from Ireland (62 per cent) and the Netherlands (59 per cent) and lower in Korea (43 per cent) although the overall number of WHMs surveyed from Korea was small.

WHMs surveyed were mainly from the United Kingdom (57 per cent). Equal groups of about 10 per cent each were from Canada, Ireland (Eire) and the Netherlands. These compare to Working Holiday visas issued during 1998-99 of 51 per cent to the United Kingdom, seven per cent to Canada, 15 per cent to Ireland and eight per cent to the Netherlands. The survey over samples people from other countries particularly at the expense of people from Japan and Korea.

Table 5. Basic characteristics of WHMs surveyed (percentage)

Country	Male (%)	Female (%)	Percentage from each country	Percentage Working Holiday visas 1998-99	Number surveyed
United Kingdom	45.7	54.3	57.4	51.4	575
Japan	46.9	53.1	3.2	14.6	32
Korea	57.1	42.9	0.7	2.1	7
Canada	46.4	53.6	9.7	6.7	97
Ireland (Eire)	37.8	62.7	9.8	14.5	98
Netherlands	41.4	58.6	9.9	7.7	99
Other ^(a)	54.8	45.2	9.2	0.0	92
TOTAL	45.6	54.4	100.0	100.0	1001

^(a) Respondents were asked to indicate their country of normal residence. People from these countries may hold dual citizenship and be travelling on a visa from an approved WHM country. The countries in this 'other' category are USA (38), Germany (12), Hong Kong (2), Singapore (2), Taiwan (2) and other not specified (36).

Sources: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne; Department of Immigration and Multicultural Affairs, Visa Arrival Statistics.

Over half the WHMs surveyed were in the age group 20-24 (53 per cent) with the next highest group aged 25-30 (34 per cent). The remainder were 18-19 (12 per cent) and over 30 (1 per cent). Nearly all countries had a majority of WHMs in the age group 20-24. The only exception was Korea, but given the small sample from that country, this should not be taken as indicative. Canada showed the greatest diversion in age groupings, with 69 per cent aged 20-24 and only 19 per cent aged 25-30 (Table 6).

Table 6. Age characteristics of WHMs surveyed (percentage)

Country	Age 18-19	Age 20-24	Age 25-30	>Age 30	Number
United Kingdom	14.1	49.9	35.3	0.7	575
Japan	6.3	53.1	40.6	0	32
Korea	0	42.9	57.1	0	7
Canada	12.4	69.1	18.6	0	97
Ireland (Eire)	3.1	50.0	45.9	1.0	98
Netherlands	17.2	57.6	24.2	0	99
Other	4.3	59.8	30.4	3.3	92
TOTAL	12.1	53.4	33.6	0.9	1001

Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

Skills and qualifications

The post-school qualifications held by WHMs are detailed in Table 7. About a third (31.7 per cent) of WHMs had completed a bachelor degree, and an additional 26.9 per cent had only completed secondary school although a quarter of those who had only completed secondary school were part way through a post-school qualification.

There were a few differences between countries. Nearly half (43 per cent) of WHMs from Canada had completed secondary school categories, while for the Netherlands, over a third each came from Bachelor degree and completed secondary school (34.3 per cent and 35.4 per cent respectively). There was a higher proportion of WHMs with a higher degree or postgraduate diploma from Ireland (both 12.2 per cent). WHMs' level of post school qualifications compared very favourably with the educational profile of Australian residents working in typical low skill casual jobs (see Table 25).

Table 7. Highest completed level of educational attainment, WHMs (percentage).

	UK	Japan	Korea	Canada	Ireland (Eire)	Netherlands	Other	Total	Partial ^(a)
Higher degree	8.9	0	42.9	2.1	12.2	7.1	6.5	8.1	13.6
Postgraduate diploma	5.6	0	0	7.2	12.2	6.1	4.3	6.1	14.8
Bachelor degree	30.6	53.1	42.9	26.8	24.5	34.3	39.8	31.7	9.5
Undergraduate diploma	10.6	6.3	0	13.4	10.2	7.1	8.6	10.1	17.8
Skilled vocational qualification	15.0	9.4	0	7.2	18.4	9.1	8.6	13.1	6.9
Semi-skilled vocational qualification	4.3	0	0	0	3.1	0	0	2.8	0
Completed secondary school	23.3	31.3	14.3	43.3	17.3	35.4	32.3	26.9	25.7
Not complete secondary school	1.6	0	0	0	2.0	1.0	0	1.2	16.7

^(a) Part way through a qualification.

Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

Two thirds of the WHMs who came to Australia had been working in the two years prior to arrival. One third had been studying. Table 8 shows the type of work of those who had been working prior to coming to Australia. The main type of work was professional work (43.3 per cent) followed by trade or craft work and clerical work (both 13.9 per cent). Other types of work indicated were sales work (8.5 per cent) and technical work (5.5 per cent). There were few WHMs who had previous work experience in manual work, both unskilled (2.3 per cent) and semi skilled (3.7 per cent).

Table 8. Type of previous work experience ^(a) (percentage)

Professional work	43.3
Technical work	5.5
Trade or craft work	13.9
Sales work	8.5
Clerical work	13.9
Personal service work like waiting	6.9
Semi skilled manual work	3.7
Unskilled manual work	2.3
Other	3.8
Total	101.8
Number	656

^(a)These percentages do not add to 100 as a few respondents (1.8%) indicated multiple work experience.

Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

Work undertaken by WHMs in Australia

Eighty five per cent of WHMs engaged in paid employment during their visit. Table 9 shows the average number of jobs by country of normal residence for the WHM who worked while in Australia. All countries had participation rates over 80 per cent, with the Koreans and Irish having the highest rates (of 100 and 93.9 per cent respectively).

Of those who engaged in employment, the mean number of jobs was 2.9. Nearly one third of WHMs who worked held only one job during their visit to Australia, and just over half the WHMs held only one or two jobs. WHMs, from the United Kingdom, Ireland and the Netherlands had the highest average number of jobs. Overall however, about 50 per cent of WHMs held two jobs.

The average length of employment for each job was just over 40 days. While WHMs from Japan and Korea tended to work longer in their jobs than other WHMs, the sample sizes here are very small. Ireland had the longest mean lengths of time while the Netherlands had the shortest.

Table 9. Percentage of WHMs who worked, mean number of jobs held, and mean length of job.

Country	Percentage who worked in Australia	Mean number of jobs held	Mean number of days worked Job 1	Mean number of days worked Job 2	Mean number of days worked Job 3
United Kingdom	86.3	3.0	49.1	41.8	37.4
Japan	84.4	1.9	59.8	27.2	29.7
Korea	100.0	1.9	63.1	50.3	90.0
Canada	82.5	2.8	45.8	43.9	47.9
Ireland (Eire)	93.9	3.4	59.1	54.1	59.2
Netherlands	85.9	3.3	25.2	28.6	23.3
Other	72.0	1.6	49.7	30.5	26.8
TOTAL	85.3	2.9	48.0	41.5	39.4

Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

Table 10 shows that the mean length of jobs is inversely related to the number of jobs held. That is, the more jobs held, the shorter time spent in each additional job. The mean number of days worked in each job decreases from 48 days for the first job to 15.7 days for the seventh job held.

The mean number of average hours worked in a week in each of the first three jobs was about 36 and could be described as indicative of a full-time job.

Table 10. Number and length of WHM jobs.

Jobs worked	Percentage of WHMs	Mean number of days worked	Mean number of average hours worked per week
1	29.0	48.0	36.4
2	22.6	41.5	36.5
3	21.5	39.4	36.4
4	10.8	26.4	
5	7.5	20.2	
6	2.6	10.9	
7	1.5	15.7	
8 or more	4.4		

Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

The occupations held by these WHMs are listed in Table 11. The main occupations are fruit picker, waiter, elementary service worker, office secretary, labourers & related workers, and builder's labourer. A few differences appear between countries. Canadians are more likely to be employed as waiters, and there is a higher proportion of people from the Netherlands employed as fruit pickers. Those from Ireland are more likely to be employed as a builder's labourer or in more professional occupations (other professional and tradesperson).

These jobs were located mainly in the eastern states as well as Western Australia (Table 12), with the highest proportion in New South Wales. In all states except Queensland, the majority of jobs were in the capital cities. In Queensland, the jobs were more evenly spread throughout the state. These results may be skewed against Victoria, as Melbourne airport was only surveyed in the pilot stage of the exercise.

The most usual rate of pay was about \$10 per hour, although there was quite a variation in the hourly rate as shown in Figure 6. Some of the WHMs who reported no pay, received payment in kind (board and lodging), particularly when working in a private home or hostel. Average hourly earnings was \$12.46 per hour.

Table 11. Occupation of WHM job (percentage)

Occupation	United Kingdom	Japan	Korea	Canada	Ireland (Eire)	Nether-lands	Other	Total
Professional	11.8	0	0	7	19.9	0.5	16.5	10.9
Teacher	1.2	-	-	1.2	-	-	1.0	0.9
Computer professional	2.0	-	-	0.6	3.2	-	8.2	2.1
Nurse	4.7	-	-	4.6	7.7	0.5	2.1	4.2
Physiotherapists	0.7	-	-	-	-	-	-	0.4
Other professional	3.2	-	-	0.6	9.0	-	5.2	3.3
Associate Professional	0.4	-	-	1.2	1.4	-	-	0.5
Associated professionals (technicians)	0.4	-	-	1.2	1.4	-	-	0.5
Tradesperson	3.1	0	0	2.9	4.1	1.5	4.2	3
Chef	1.1	-	-	2.9	0.5	1.0	2.1	1.2
Tradespersons	2.0	-	-	-	3.6	0.5	2.1	1.8
Advanced clerical and service	7.7	0	0	2.9	11.8	2.5	8.2	7.1
Office secretary	7.7	-	-	2.9	11.8	2.5	7.2	7.0
Stenographer	-	-	-	-	-	-	1.0	0.1
Intermediate clerical, sales and service	15.9	26.7	25	22.6	8.7	10.1	13.4	15.2
Waiter	10.7	26.7	25.0	20.8	4.1	8.1	10.3	11.0
Sales representative	2.4	-	-	0.6	0.5	1.0	1.0	1.7
Data processor machine operator	2.8	-	-	1.2	4.1	1.0	2.1	2.5
Intermediate production and transport	2.0	0	0	3.4	0.5	2.0	1.0	2.0
Storeperson	1.2	-	-	1.7	0.5	-	1.0	1.0
Driver	0.8	-	-	1.7	-	2.0	-	1.0
Elementary clerical, sales and service	24.3	31.1	16.6	23.2	32.1	18.7	16.5	24.3
Sales assistant	4.4	13.3	8.3	4.6	6.3	3.0	1.0	4.6
Elementary sales	4.9	-	-	3.5	7.7	8.1	3.1	5.2
Elementary clerical	4.5	-	-	0.6	6.3	0.5	2.1	3.7
Elementary service	10.5	17.8	8.3	14.5	11.8	7.1	10.3	10.8
Labourers and related workers	34.7	40	58.3	36.9	21.4	64.3	39.3	36.9
Fruit picker	12.9	26.7	16.7	17.3	4.1	42.6	15.5	15.9
Kitchen hand	3.3	6.7	25.0	5.2	0.5	2.5	2.1	3.2
Factory hand	2.6	-	8.3	2.3	2.3	3.0	4.1	2.6
Cleaner	2.9	2.2	8.3	0.6	0.9	1.5	2.1	2.3
Builder's labourer	7.2	-	-	4.6	10.0	2.0	3.1	6.3
Labourers & related workers	5.8	4.4	-	6.9	3.6	12.7	12.4	6.6
Other (not specified)	0.1	2.2	-	-	0.5	-	1.0	0.2
Total	100.0	100	100	100	100	100	100	100

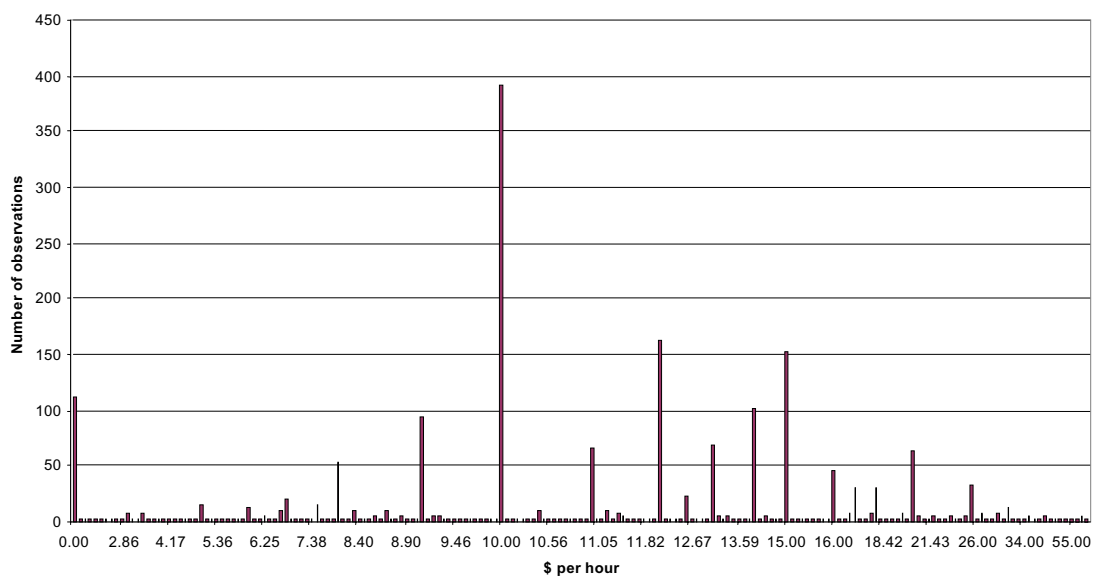
Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

Table 12. Location of WHM jobs (percentage)

State	Percentage of State	Percentage of total	N
<i>Region</i>			
New South Wales		46.6	827
<i>Sydney</i>	90.1		
<i>Murray-Murrumbidgee</i>	4.0		
<i>Mid-North Coast</i>	1.2		
Victoria		12.9	229
<i>Melbourne</i>	80.3		
<i>Goulburn-Ovens-Murray</i>	15.3		
Queensland		23.3	413
<i>Brisbane</i>	29.5		
<i>Far North</i>	21.8		
<i>Wide Bay-Burnett</i>	15.5		
<i>Northern-North West</i>	11.1		
<i>Darling Downs-South West</i>	9.2		
South Australia		2.0	36
<i>Adelaide</i>	58.3		
<i>Southern & Eastern SA</i>	38.9		
Western Australia		12.6	224
<i>Perth</i>	64.7		
<i>Lower Western WA</i>	20.1		
<i>Remainder-Balance of WA</i>	15.2		
Tasmania		0.1	2
Australian Capital Territory		0.4	7
Northern Territory		2.0	36
N		100.0	1774

Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

Figure 6. Hourly rate of income paid in WHM jobs.



Source: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne.

b. Do employers prefer WHMs over local workers?

Objectively WHMs are disadvantaged compared with local youth for they cannot work for any single employer for longer than three months. Accordingly, one would expect that employers would prefer local youths for all non-seasonal and temporary jobs, unless the WHMs have compensating personal or skill advantages. The fact that most WHMs do get jobs suggests that compared with local youth either they engaged in more effective job search techniques, they have compensating advantages or local youth do not want the jobs on offer. In this section we combine information from two employer related interviews and the WHM survey to assess the first two reasons.

Survey of employment agencies

During April 2000, the Melbourne Institute conducted an informal telephone survey covering the Northern Territory, Western Australia, Queensland and Victoria. The aim was to gain an overview of reasons why employers hire short-term young foreign workers. Specifically, we were trying to gauge the extent to which working backpackers were displacing domestic youth in the job market. Because we were not certain whether or not the agencies were familiar with the WHM scheme, we asked more generally about foreign backpackers rather than people with a Working Holiday visa.

Upon approaching the agency we asked if we could speak to an employment placement officer who would be responsible for this type of work. The survey was not random; 'known' backpacker employment areas were targeted and specialist agencies were not approached. In total, 46 agencies were contacted and 22 said they were not generally approached by backpackers. The remaining 24 agencies said they have backpackers approach them on a regular basis. Of these, 12 said they were often approached by backpackers and 12 said they were less frequently approached.

The most common types of jobs that backpackers obtained were in hospitality, fruit picking, industrial labouring and low skilled clerical work.

Only four agencies claimed that employers preferred to hire foreign backpackers to Australian workers and one agency said he/she did not know. Of the four who said they believed that employers preferred backpackers, three said it was because the workers had good attitudes, were clever, reliable and were more motivated. One said it was because employers could pay them less. The one agency, which was unsure of employer preferences, thought that backpackers were more motivated and versatile but lacked good transport.

The remaining 19 agencies who said that employers did not prefer backpackers believed that employers hired them because they were short of people at critical times and could not find local workers.

All agencies were asked about what they thought employers regarded as the greatest drawback of hiring backpackers. Sixteen said that being only available for a short time period was a major or minor drawback, but in addition, five of these said that lack of transport and the difficulty of contacting them was an issue. Other less frequently mentioned issues were the lack of tax file numbers, additional paper work created, the need to train workers more often and the difficulty of checking references.

Finally, agencies were asked whether being only available for a limited number of months presented a problem for employers. Eight said it was not a problem as the work was temporary and there was always an

influx of workers and changing demand for labour. Seven said being only available for a limited time was a problem and several of these cited the need to re-train as an issue. Two agencies said short term availability was only sometimes a problem.

Survey of employers of WHMs

Between February and March 2001, 598 employers who had been nominated by WHMs from the WHM survey as their employers were contacted by phone. The valid response rate was 49.7 per cent. Of these, 24.2 per cent claimed that they had not hired an overseas worker in the last year and a further 11.4 per cent could not confirm that their worker had a Working Holiday visa (subclass 417). The remaining 180 employers completed the survey.

The stated source countries for their WHM workers was similar to the self reported WHM survey. About half came from the UK, a small percentage came from non-WHM countries and the remainder were divided between the other WHM countries. Most employers are regular employers of WHM workers. About 50 per cent of employers surveyed had employed 10 WHMs in the last year. Two thirds of employers claimed they offered WHMs some type of training. Two thirds of jobs lasted two to three months and only 14.4 per cent lasted longer than three months.

Table 13 gives the industry profile of WHM employers. About one in four employers were from the accommodation, cafes and restaurants industry, and about one in 10 were from each of the agriculture etc, retail trade, and personal and other services industries. One third of workplaces were small with fewer than 20 employed people (Table 14), however, 15.5 per cent of employers were large with over 500 workers.

Table 13. Industry of employer

ANZSIC	Percentage distribution
Agriculture, Forestry and Fishing	9.8
Accommodation, Cafes and Restaurants	26.9
Retail Trade	10.1
Cultural and Recreational Services	4.0
Personal and Other Services	11.8
Property and Business Services	7.7
Health and Community Services	7.7
Mining	1.0
Manufacturing	6.1
Electricity, Gas and Water Supply	0.3
Construction	0.7
Wholesale Trade	0.7
Transport and Storage	3.0
Communication Services	3.4
Finance and Insurance	3.0
Government Administration and Defence	1.7
Education	2.0
Total	100.0

Source: Working Holiday Maker Employer Survey, 2001, Melbourne Institute, University of Melbourne.

Table 14. Size of employers' workplace

Employed people	Percentage
Less than 20	33.0
20 to 50	20.2
51 to 100	11.8
101 to 500	17.8
Over 500	15.5
Don't know	1.7
Total	100.0

Source: Working Holiday Maker Employer Survey, 2001, Melbourne Institute, University of Melbourne.

Information from both employers and the WHMs on the methods they used to find a successful job match addresses the question of whether WHMs are getting jobs in preference to unemployed Australian youth because they have a more assertive job search method. However, both surveys shown in Table 15 and Table 16 indicate that, compared with the successful job search strategies undertaken by non-working Australian youth, WHMs are less likely to cold call employers. Employers only indicated that WHMs cold call them 7.0 per cent of the time and WHMs said they had used this technique for 13.7 per cent of their jobs. By comparison, non-working Australians use this method in 19.7 per cent of successful cases. On the other hand, compared with the Australian population, WHMs and their employers indicated a significantly greater propensity to use private employment agencies and a lower propensity to use publicly funded agencies.⁵

Table 15. Main method employers used to recruit WHMs (percentage distribution)

Method of recruitment	Employers, 2001
Newspaper advertisement	21.9
Notice placed on boards	14.5
Personal contacts	18.9
Employer approaches workers directly	10.5
Private employment agency	19.3
WHM cold calls employer	7.0
Centrelink	1.3
Internet/web site	3.9
Work in overseas company branch	1.3
Don't know	1.3
Total	100.0

Source: Working Holiday Maker Employer Survey, 2001, Melbourne Institute, University of Melbourne.

⁵ People holding a temporary working visa are not permitted to register as a 'Job Seeker' with Centrelink and accordingly use the touch screen vacancy services at their offices. However, 1.3 per cent of surveyed employers reported using Centrelink to recruit WHMs (Table 15).

Table 16. Method WHMs and Australian jobseekers used to obtain a job (percentage distribution)

Method of finding job	WHMs, 2000	Australians who were not working prior to obtaining a job, July 1998
Job arranged before coming to Australia	2.2	
Newspaper advertisement	5.8	15.4
Notice places on board	5.2	
Personal contacts	11.4	20.8
Approached the employer directly	13.7	19.7
Private employment agency	17.2	1.5
Centrelink	0.2	6.4
Other	6.7	36.2
Don't know	0.1	
Total	100.0	100.0

Sources: Working Holiday Maker Survey, 2000, Melbourne Institute, University of Melbourne; ABS Cat. no. 6245.0 Standard Data Service 6222.0.40.001.

We asked employers to comment on whether they agreed or disagreed about a series of statements about their hiring practices to assess whether WHMs are hired in preference to local youth. These views have been presented in Table 17 as a summary score. This score ranges from 120 if all employers agreed with a statement to 80 if they all disagreed. If the number of agreeing employers just balanced the disagreeing employers then the score was 100.

In general, we found that there was no decided preference for WHMs over Australian youth other than a tendency to believe that WHMs were more motivated than local youth. Employers on balance did not regard WHMs as more skilled (even though they are objectively more qualified on average), more honest, better spoken or harder working. However, 14 per cent of employers claimed that they needed workers who could speak a foreign language. While on balance employers did not agree that the short duration of the work period, the difficulties of contacting WHMs and the extra paper work involved in short term WHMs were a problem, there were substantial numbers who did agree.

Table 17. Employer views on the relative attractiveness of hiring WHMs

Statements about WHMs	Summary score. 120=every one agrees 100=neither agree nor disagree on balance. 80=every one disagrees.	Percentage agreeing
WHMs are more motivated than local youth	104	48
WHMs are more skilled than local youth	95	21
WHMs will work harder than local youth	100	39
WHMs are more reliable and honest than local youth	95	22
WHMs are better spoken than local youth	96	27
WHMs will work for lower wages than local youth	94	26
I need workers who speak a foreign language	87	14
The short time in a job is a disadvantage when hiring WHMs	100	44
WHMs lack transport and are hard to contact	100	46
WHMs involve extra paper work compared with local youth	92	23
My business would be severely disadvantaged if we were not able to hire WHMs	100	46
I usually offer Australian workers more training than WHMs	96	34

Source: Working Holiday Maker Employer Survey, 2001, Melbourne Institute, University of Melbourne.

To summarise, three possible reasons have been given for why employers are prepared to hire WHMs despite their short term employment period and the implied drawbacks.

First, it is possible that WHMs are more strategic and assertive in their job search techniques. However, evidence from employer and WHM surveys suggest that this is not generally true. Compared with Australians who take up jobs, WHMs are less likely to cold call employers and access public employment placement services than Australians.

Secondly, it is possible that WHMs' inherent personal advantages compensate for their visa disadvantages. However, while both the surveys of employers and employment agencies suggest that a large minority of businesses feel these disadvantages, they are not overwhelming. Many employers do not regard them as a problem. Furthermore, on balance employers do not regard WHMs as inherently more employable than local youth. Employers, it appears, hire WHMs because they are available.

It remains therefore that WHMs may obtain jobs because there is not a strong interest in these jobs by local unemployed youth. The latter may not be as prepared to relocate for employment as WHMs.