

Working Holiday Makers

The Working Holiday Maker (WHM) Program provides for the temporary entry and stay of young people wanting to combine holidaying in Australia with the opportunity to supplement travel funds through incidental employment, and consequently experience closer contact with the local community.

The program is an integral part of Australia's tourism industry and provides not only economic benefits, but also significant other benefits, such as enhancing the cultural and social development of young people, and promoting mutual understanding between Australia and other nations.

Australia continues to expand its reciprocal WHM arrangements, and now has arrangements with the following seventeen countries: Canada, Ireland, Japan, the Republic of Korea, Malta, the Netherlands, the United Kingdom, Germany, Sweden, Denmark, Norway, Hong Kong, Finland, Cyprus, Italy, France and Belgium. This includes the three arrangements which have been signed with Italy, France and Belgium, which are expected to come into effect in 2004. The Government is also negotiating WHM arrangements with additional countries.

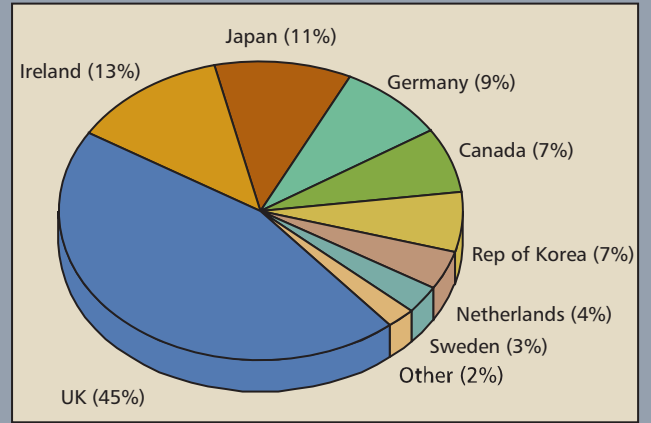
In 2002–03, the Working Holiday Maker program continued to grow with 88,758 Working Holiday Maker visas granted during that period. This represents a 4.2 per cent increase in visas issued in 2001–02. The substantial growth in the WHM program over the last six years can be mainly attributed to the addition of new arrangement countries.

Visa arrival data indicates that WHM visa holders continue to travel, and have not been deterred by major world events such as the heightened security risk, the war in Iraq and SARS. In 2002–03, 101,640 WHM arrivals were recorded, compared with 97,232 arrivals for 2001–02. This represents an increase of 4.5 per cent in WHM arrivals, which is consistent with the increase in the grant rate, and indicative of the fact world events have had little impact on Australia's WHM program.

Criteria for Visas

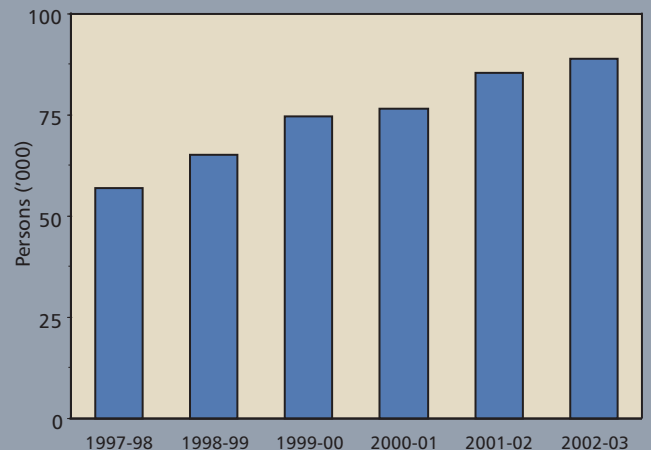
Working holiday visa applicants need to be aged between 18 and 30 years, without dependent children, and from countries with which Australia has a reciprocal WHM arrangement. WHMs are permitted a stay of 12 months from the date of initial entry to Australia, regardless of whether or not they spend the whole period in Australia. They can study or train for up to three months. They can also work for up to three months with any one employer.

Fig. 5-9: Working Holiday Maker Grants by Country of Citizenship, 2002–03



Source Data: IMIRS

Fig. 5-10: Working Holiday Maker Grants



Source Data: IMIRS

Work Conditions

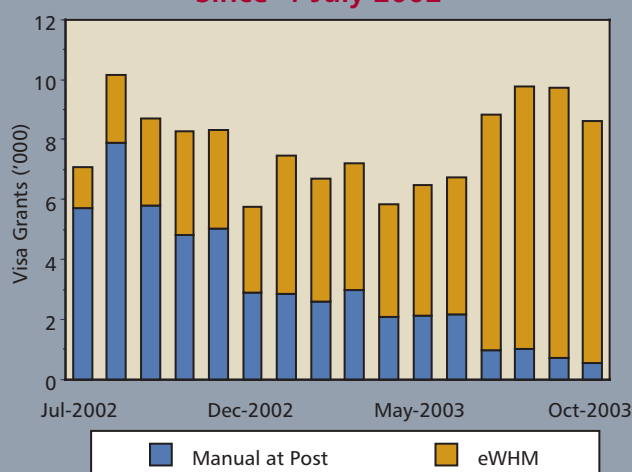
The WHM program benefits industries that rely heavily on casual labour at peak times, particularly the hospitality, horticultural and rural industries.

WHMs are permitted to work on a temporary or casual basis provided that the period of employment with any one employer does not exceed three months. Although permitted to stay in Australia for up to 12 months, WHMs should not work for the full period of their stay but rather use incidental employment to supplement their travel funds. The wages and conditions of WHMs should be consistent with Australian standards.

Fig 5-11: Current Working Holiday Arrangements and Year Commenced

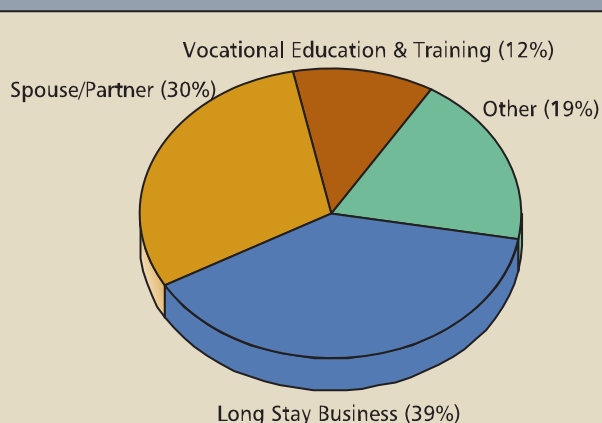
UK	1975	Denmark	2001
Canada	1975	Sweden	2001
The Netherlands	1980	Norway	2001
Japan	1980	Hong Kong	2001
Ireland	1985	Finland	2002
Korea	1995	Cyprus	2002
Malta	1996	Italy	2004
Germany	2000	France	2004
		Belgium	2004

Fig 5-12: eWHM Lodgement Take-up Rate Since 1 July 2002



Source Data: IMIRS

Fig. 5-13: Subsequent Substantive Visas Granted to WHMs 2002-03



Source Data: IMIRS

WHM Initiatives

Since 1 July 2002, WHM applicants have been able to lodge their visa application electronically over the Internet. This "eVisa" initiative is part of the overall streamlining and improving of visa service delivery. In 2002–03, 47 per cent of all WHM visa applications were lodged electronically, indicating a favourable acceptance of this initiative.

In July 2002 "eHealth I" linked with eWHM so that applicants undergoing x-ray, physical and/or blood tests for their visas could download their own forms and have these results accepted for clearance at the nearest post. "eHealth I" enables an electronic record of the resulting clearance to link with the person's eVisa application for swift and on-line visa finalisation.

In September 2002, the Government received the results of the research it commissioned into the impact of the WHM program on Australia's labour market. The research carried out by the Melbourne Institute of Applied Economics and Social Research indicates that Australia benefits from the money WHMs spend and the net addition to full year employment they create in the labour market. On average the WHMs surveyed stayed in Australia for 9 months and spent \$16,000 during their stay, or an estimated A\$1.3 billion annually based on 80,000 arrivals. In addition, there is strong evidence that WHMs create more jobs than they take. The report estimates that 80,000 WHMs take up the equivalent of about 41,000 full-year jobs, but about 49,000 full-year jobs are created through their expenditure ie a net gain of 8,000 full-year jobs.

Australian citizens also experience direct benefits due to the reciprocity of WHM arrangements. An increasing number of young Australians enjoy the opportunity of extended overseas travel, experiencing life in another country, becoming involved in the local community, and improving mutual understanding between Australia and other nations. Over 30,000 young Australians travelled overseas under WHM arrangements in 2002–03.

WHM Visa Compliance

Very few WHM visa holders overstay their visa or depart Australia on an expired visa. In 2002-03, 0.36 per cent of working holiday makers left Australia on an expired visa and 0.48 per cent overstayed their visa and remained in Australia unlawfully. A significant number of WHMs apply lawfully for a further substantive visa. The most common subsequent substantive visas granted to WHMs in 2002-03 are long stay business visas (which account for 39 per cent of WHMs changing their status in Australia), spouse/partner visas (30 per cent), and vocational education and training visas (12 per cent).

Overseas Students

The Overseas Student Program enables people who are not Australian citizens or Australian permanent residents to study in Australia (generally as full-fee paying students) in full-time accredited and registered courses. Student visa arrangements are aimed at streamlining entry procedures for genuine students whilst maintaining the integrity of Australia's immigration programs.

The broad objectives of the Program are to increase export revenue by promoting Australia's education services overseas, to develop trade and commercial links and to promote goodwill and understanding of Australia. According to the Department of Education Science and Training, overseas students contribute more than \$5 billion in export earnings annually. Education is Australia's third largest service export after tourism and transportation. It directly and indirectly contributes about 43,000 jobs for Australians.

From 1 July 2001 significant changes were made to Australia's Student Visa Program. These changes were introduced to make the processing requirements clearer to students and decision making more consistent between countries. The reforms provide for seven subclasses of student visa specific to the sector of study : ELICOS, Schools, Vocational Education, Higher Education, Masters/Doctorate, Non-award and AusAID/Defence.

Student visa applicants must meet requirements which are determined by one of five assessment levels. Assessment levels reflect immigration risk factors such as fraud, visa non-compliance and the overstay rate of different nationalities. The higher the assessment level the greater the evidentiary requirements that applicants must provide in terms of English ability and financial capacity to study in Australia.

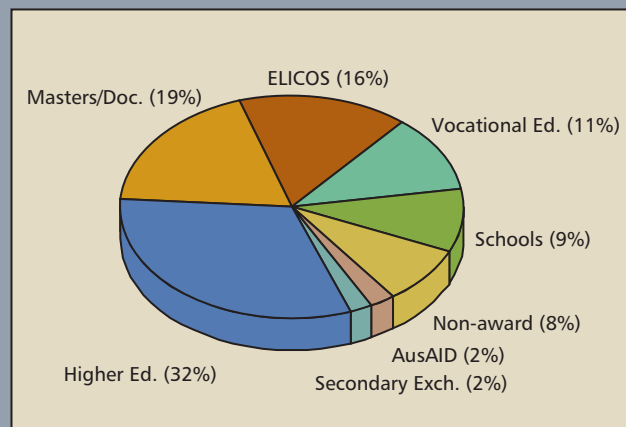
As at 30 June 2003 there was a record number of 172,973 people on student visas in Australia, reflecting a 13 per cent increase on the same date the previous year. It should be noted that people in Australia on other temporary entry visas are also allowed to study.

Student Visa Activity

The demand by overseas students to study in Australia remains very strong. The number of offshore applications received for the 2002-03 program year was 127,479 (including 29,075 offshore eVisa applications). The PRC was the major source of applications with 21,881 applications received offshore. USA was ranked second with 10,785, India third with 8,632 and Malaysia was fourth with 8,343 visa applications received offshore.

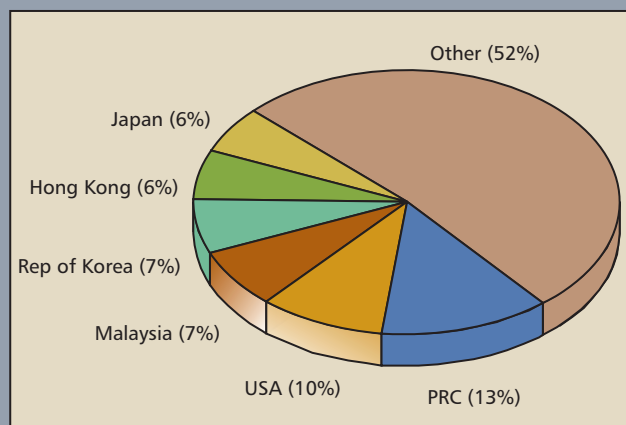
Grants have continued to increase strongly since the introduction of the reforms in July 2001. A record number of 162,575 visas, excluding student visa grants for permission to work or change of education provider, were granted to overseas students in 2002-03. This was a 7 per cent increase over the 2001-02 figure of 151,894. Of these, 109,610 visas were granted offshore, an increase of 12 per cent on the previous year's figure. Offshore grants increased by over 13 per cent to 97,650 in 2001-02, the first year of the reforms. Since the introduction of the reforms, offshore grants have grown by 27 per cent.

Fig. 5-14: Student Visas Granted Offshore by Educational Sector 2002-03



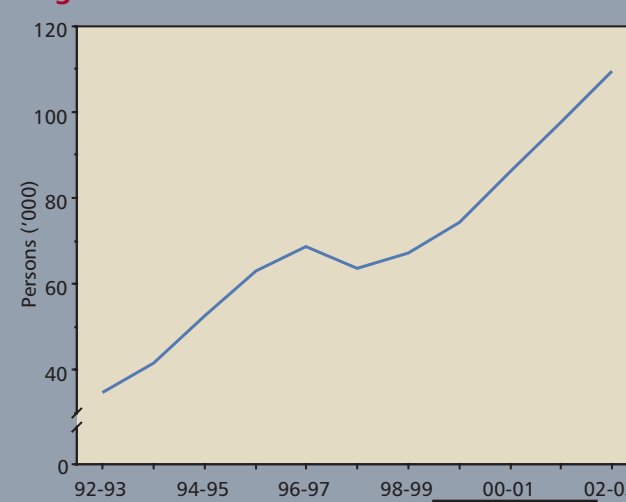
Source Data: IMIRS

Fig. 5-15: Student Visas Granted Offshore by Country of Citizenship 2002-03



Source Data: IMIRS

Fig. 5-16: Student Visas Granted Offshore



Source Data: IMIRS

Aspur for this growth has also been the Government's decision during the late 1990s and early 2000 to enable successful students to apply for General Skilled Migration, including without having to leave Australia first.

The major source countries for offshore student visa grants in 2002–03 were the PRC with 14,215 student visas granted (an increase of 6 per cent over 2001–02), the United States with 10,477 visas granted (an increase of 17 per cent), Malaysia with 8,032 visas granted (up 8 per cent), the Republic of Korea with 7,323 visas granted (up 70 per cent), Hong Kong with 6,576 (down 4 per cent) and Japan with 6,319 visas granted offshore (up 1 per cent).

Overall the number of onshore student visas granted (excluding Permission to Work and Change of Provider visas) decreased by 2 per cent during the 2002–03 program year compared to the previous program year. The major source countries for onshore student visa grants were the PRC with 8,382 student visas granted (an increase of 9 per cent), Japan with 6,086 visas granted (up 26 per cent),

Hong Kong with 4,296 visas granted (up 22 per cent), Indonesia with 4,052 visas granted (down 21 per cent) and the Republic of Korea with 3,947 visas granted onshore (down 42 per cent).

During the 2002–03 program year, the Non-award sector saw substantial growth with visa grants up 128 per cent (to 10,006) when compared with the previous year. The Non-award sector covers study abroad, foundation, bridging and other courses that do not lead to an award of a degree, diploma or other formal award. Grants for the Masters/Doctorate sector increased by 19 per cent (32,217); Vocational Education by 3.5 per cent (25,508) and Higher Education by 2 per cent (54,331). The ELICOS sector saw a 2 per cent decline in the 2002–03 period (from 23,523 to 21,967) when compared to the previous year. This is attributed to students 'packaging' up to three courses of study, with the visa grant shown against the primary course - which is likely to be Higher Education or Masters/Doctorate. Packaging was not possible before 2002–03.

Processing times for student visas have continued to improve in recent years. In 2002–03, the median processing times for low and high risk onshore applications were 5 days and 23 days respectively. For students applying offshore, low risk applications in 2002–03 were processed in 9 days and high risk applications were processed in 11 weeks on average.

Over 89 per cent of student visa applications processed offshore in 2002–03 were approved, an increase from the 85 per cent approval rate in 2001–02. Onshore approval rates were steady at around 95 per cent.

Student Visa Compliance

Compliance with the conditions of student visas has been improving since the inception of the reforms. The 2002–03 program year saw applications from student visa holders for Protection Visas drop by almost half of those recorded in the 2001–02 program year (658 to 356). Similarly the rate at which students lose their lawful visa status was recorded at 0.85 per cent in 2002–03, which is down from 1.15 per cent in 2001–02. These outcomes indicate that the increase in grants has not been at the expense of the integrity of the Student Visa Program and further shows that the quality of the caseload is increasing.

Student visa cancellations have increased 16 per cent during the 2002–03 program year, when compared with 2001–02. This represents a total of 8,204 student visas cancelled during the 2002–03 program year. This is attributed to an increase in compliance activities and resources, rather than any increase in the level of non-compliance.

It should be noted that student visa cancellations can be for punitive reasons such as visa non-compliance, not attending classes or failing to meet course requirements; or for administrative reasons such as the student completing their course early and departing Australia. Countries with increasing cancellations in the punitive category during 2002–03 include the PRC, Hong Kong, Thailand, Taiwan and the USA. During 2002–03 the PRC had 1,125 total cancellations (a 42 per cent increase on 2001–02), Hong Kong 723 cancellations (up 22 per cent), Thailand 451 cancellations (up 22 per cent), Taiwan 372 (up 51 per cent) and the USA 168 cancellations (up 73 per cent).

Fig. 5-17: Student Visas Granted Offshore by Country of Citizenship

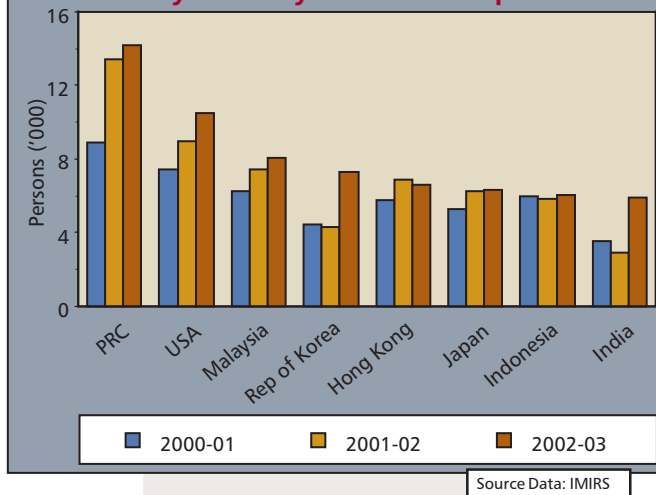
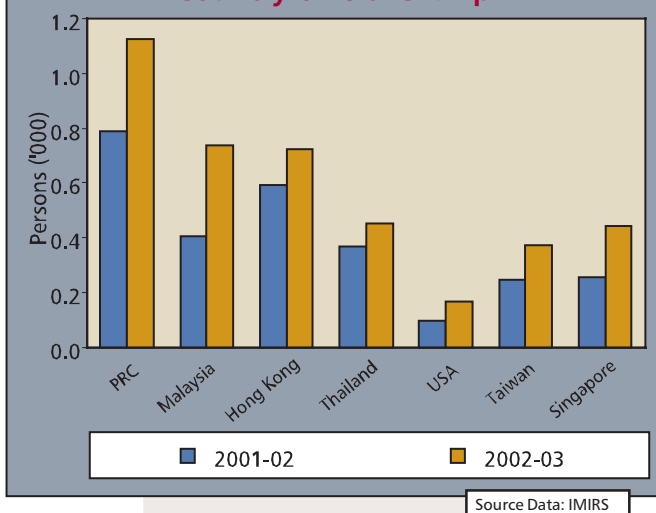


Fig. 5-18: Student Visa Cancellations by Country of Citizenship



Recent Developments

eVisa - Inside Australia - Since the end of February 2002 certain overseas students have been able to lodge applications for initial and further stay student visas and for student visas with Permission to Work via the internet. In 2002–03, 1,584 initial student visa applications and 938 further stay student visa applications were lodged onshore via the internet. In addition, applications lodged over the internet for Permission to Work totalled 12,440.

eVisa - Outside Australia - Since 1 July 2001 certain students outside Australia have been eligible to apply for and be granted a student visa via the internet. Eligibility was initially restricted to Norwegian, Swedish and US Study Abroad students in the higher education sector. There were 7,426 student visas granted in 2001–02 using this facility. From 1 July 2002, the offshore arrangements were expanded to allow all Assessment Level 1 (ie from low risk countries) students who were over 18 years of age and who did not include family unit members in their application to apply for and be granted an electronic student visa. There were 27,533 student visas granted in 2002–03 using this facility.

eHealth I - In July 2002 eHealth I was introduced to allow students undergoing x-ray, physical and/or blood tests for their visa to download their own forms and have the results accepted for clearance at the nearest post. eHealth I enables an electronic record of the result to link with the student's e-application and proceed to online and swift finalisation.

eHealth II - Even more advanced is a pilot eHealth II where medical and x-ray results are recorded on-line using digital images and transmitted to Australia for examination and clearance on line by Australian personnel. Clearance can be within hours of the examination. Starting in November 2003 the pilot was limited to Assessment Level 1 students in Singapore, and at the time of writing is resoundingly successful for and is planned for expansion.

On-campus Processing - A travelling unit enabling electronic visa processing for students was introduced by DIMIA in March 2001. This mobile facility allows immigration officials to visit selected university campuses to accept and process applications for a student visa to complete studies or to undertake further studies. The majority of these applications are finalised "on the spot". A significant number of students have obtained their visas through these initiatives.

Adelaide Offshore Processing Centre (OPC) - Since 1 March 2002 the Adelaide OPC has been processing all student visa applications lodged by PRC citizens in the PRC. The repatriation of the caseload is designed to manage the increasing number of applications from the PRC, to reduce overall processing times and to devote greater resources to offshore integrity checking. Since February 2003 the Adelaide OPC has finalised applications in all sectors other than the Schools Sector, which has been determined to be the highest risk. DIMIA officials in Beijing finalise applications in the Schools Sector and cases that are transferred for additional integrity checking. The Beijing/Adelaide nexus has resulted in a significant improvement in processing arrangements and has enabled DIMIA to manage the growth without increasing staffing and accommodation at the Beijing Embassy.

Applications for Permanent Residence

On 1 July 2001, new points tested visa categories were introduced that enabled overseas students to apply for and be granted permanent residence without being required to leave Australia. The introduction of these visas recognised that Australian employers preferred those with Australian qualifications irrespective of their place of birth and aimed to ensure that skills and knowledge gained whilst studying in Australia were retained.

Changes introduced on 1 July 2003 mean that overseas students must apply within six months of completing an Australian qualification gained after at least two-years full time study in Australia.

A new points test item that awards five points to overseas students who have studied and lived in regional Australia or a low population growth metropolitan area for at least two years was also introduced on 1 July 2003. The points available for holding an Australian qualification also changed on 1 July 2003. The holders of an Australian degree, diploma or trade qualification are awarded five

Fig 5-19: Offshore eVisa Take-up Rates by Quarter Selected Countries(a)

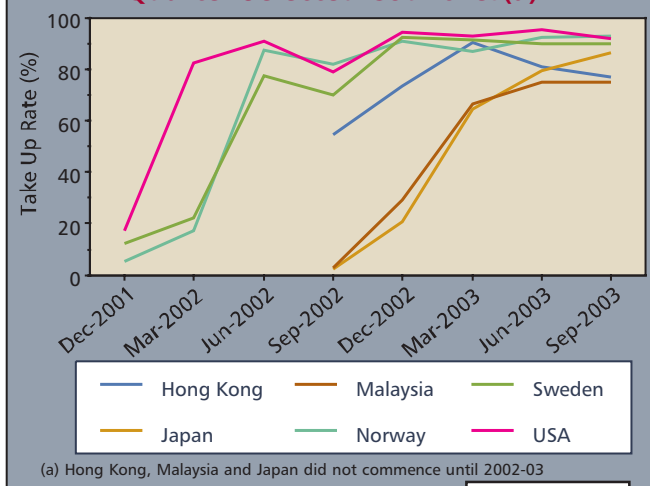
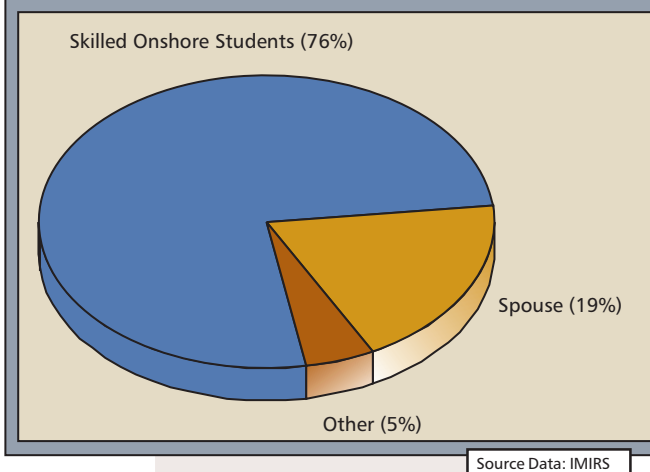


Fig. 5-20: Grants of Permanent Onshore Residence Visas to Those Who Arrived as a Student, 2002–03



points; holders of an Australian Masters or at least upper second class honours degree following at least one year of completed Australian undergraduate study are awarded ten points; and holders of an Australian PhD resulting from two consecutive years of study in Australia are awarded fifteen points.

Overseas students studying on or before 31 March 2003 and who apply for a General Skilled Migration visa before 1 April 2004 will be assessed against the former one-year study rule.

Onshore skilled points tested visas have been very popular. For the 2002–03 program year, there were 8,668 visa grants (including dependants) across the three visa categories: Skilled-Independent Overseas Student (7,916); Skilled Australian Sponsored Overseas Student (449); and Skilled Designated Area Sponsored Overseas Student (303). In the Skilled-Independent Overseas Student category, 57 per cent of successful principal applicants had an Australian Information and Communications Technology (ICT) qualification, while more than 22 per cent had an Australian accounting qualification. The next largest occupational group was engineers at 8 per cent.

Professional Development

The Professional Development Visa came into effect on 1 July 2003. The visa has been designed to enable training providers to deliver tailored academic and practical training for professionals, managers and government officials from overseas.

There are two steps to applying for a Professional Development visa: sponsorship approval and visa application. In order to be able to lodge valid visa applications, an Australian organisation must become an approved professional development sponsor. During the sponsorship approval process the sponsor, the program and the overseas employer are assessed. Any material change to the program or overseas employer requires a new sponsorship application to be considered by DIMIA. There is no limit on the number of valid sponsorships an organisation may hold. Once approved, the Australian organisation may sponsor visa applicants. Sponsors are able to receive and provide information about visa applications. To expedite processing, a centralised processing centre in DIMIA's Hobart office has been established, including a helpdesk.

Visa applicants must be outside Australia at the time they apply for and are granted a Professional Development visa. They must be employed by the overseas employer or nominated as part of an established training program by an overseas government organisation. Visa holders are permitted to stay in Australia for up to 12 months. No dependants are allowed on this visa.

In order to be able to offer Professional Development programs, Australian sponsoring organisations are required to enter into specific undertakings, accepting obligations relating to their conduct and the conduct of the visa holders when they are in Australia.