

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. It also supports the Australian economy by providing supplementary labour for industries requiring short-term casual workers, particularly for harvest work.

In January 2004, new Working Holiday arrangements were finalised with France and Italy. Australia now has Working Holiday arrangements in effect with the following 18 countries and locations:

- Canada
- Finland
- Ireland
- Belgium
- Norway
- United Kingdom
- Cyprus
- France
- Italy
- Malta
- Republic of Korea
- Hong Kong (SAR of China)
- Denmark
- Germany
- Japan
- Netherlands
- Taiwan
- Sweden

Australia is currently undertaking negotiations with several other countries.

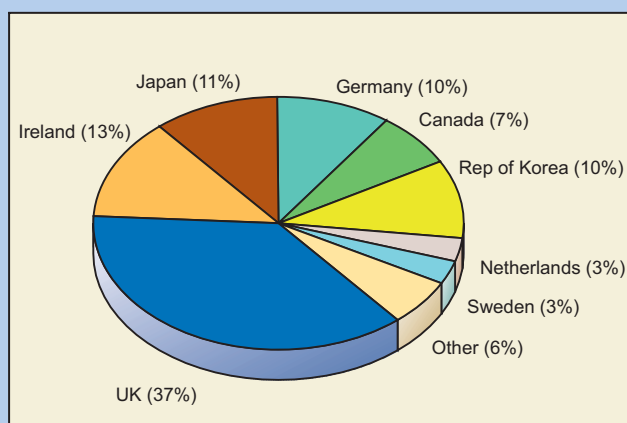
The WHM program has enjoyed steady growth in the past ten years - a combination of increased demand in existing arrangement countries and the signing of new arrangements.

In 2003-04, 93,760 Working Holiday visas were granted - a 5.6 per cent increase over 2002-03 (88,758 grants). The main countries for Working Holiday visa grants in 2003-04 were:

- United Kingdom: 35,061
- Ireland: 12,260
- Japan: 9,943
- Germany: 9,700
- Republic of Korea: 9,522
- Canada: 6,517

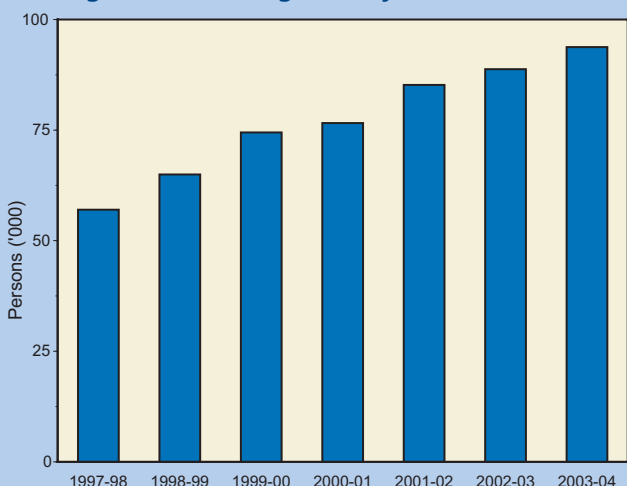
In 2003-04, 109,485 Working Holiday Makers arrived in Australia, a 7.7 per cent increase over 2002-03 (101,640 arrivals) and a 12.6 per cent increase over 2001-02 (97,232 arrivals). This growth is consistent with the increase in the grant rate, and demonstrates that Working Holiday Makers have not been deterred from coming to Australia by recent world events, such as the SARS epidemic and terrorist activities.

Fig. 5-9: Working Holiday Maker Grants by Country of Citizenship 2003-04



Source Data: IMIRS

Fig. 5-10: Working Holiday Maker Grants



Source Data: IMIRS

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.

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.

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.

Of the total number of Working Holiday visas granted in 2003-04, 87,497 (93.3 per cent) were lodged electronically over the Internet and 6,263 (6.7 per cent) were lodged at overseas posts, compared with 47 per cent electronic lodgement in 2002-03. The continuing increase in electronic lodgement of Working Holiday visas during 2003-04 is an important development, indicating better client servicing and greater operational efficiency.

Since July 2002, “eHealth I” has been linked with eWHM so that applicants undergoing x-ray, physical and/or blood tests for their visas can 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.

Research carried out by the Melbourne Institute of Applied Economics and Social Research in 2002 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, i.e. a net gain of 8,000 full-year jobs.

WHM Visa Compliance

Of the 101,960 Working Holiday Maker arrivals whose visas ceased during the 2003-04 program year, 101,175 (99.2 per cent) fully complied with Australian visa legislation - with 96,584 (94.7 per cent) departing while their initial Working Holiday visa was still valid.

4,252 (4.2 per cent) WHMs applied lawfully for further substantive visas in 2003-04 (compared with 4,278, 4.3 per cent in 2002-03):

- 2.8 per cent remained in Australia, having been granted another type of visa; and
- 1.4 per cent were still in Australia, having applied for another type of visa in Australia but still awaiting the outcome of that application.

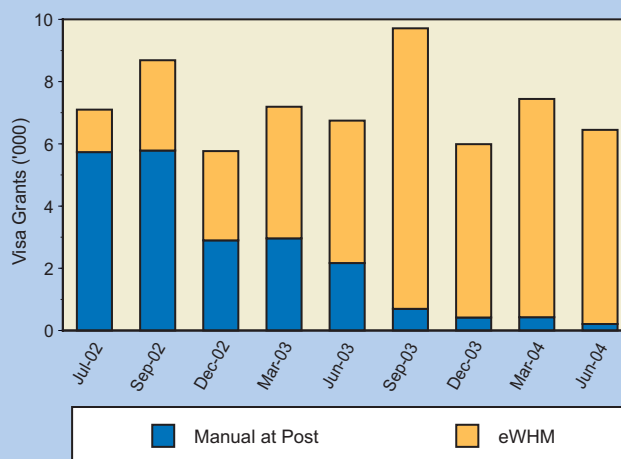
Another 0.3 per cent had obtained another visa but had departed Australia before 30 June 2004.

Very few WHM visa holders overstay their visa or depart Australia on an expired visa. In 2003-04, only 303 (0.3 per cent) WHMs left Australia after their visa had expired - down from 357 (0.4 per cent) in 2002-03. Only 477 (0.5 per cent) overstayed their visa and remained in Australia unlawfully. Only one WHM applied for a Protection Visa in 2003-04.

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

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

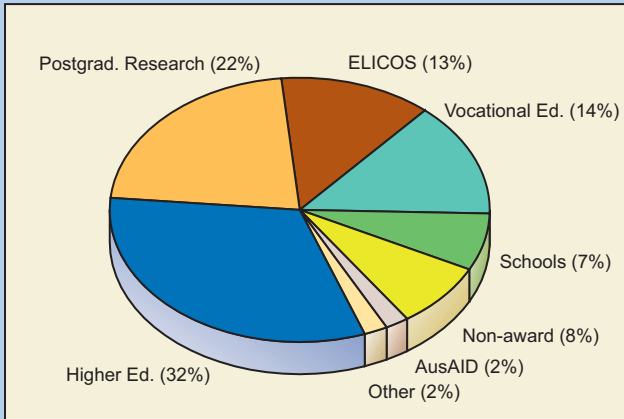
Fig 5-12: eWHM lodgement Take-up Rate



Source Data: IMIRS

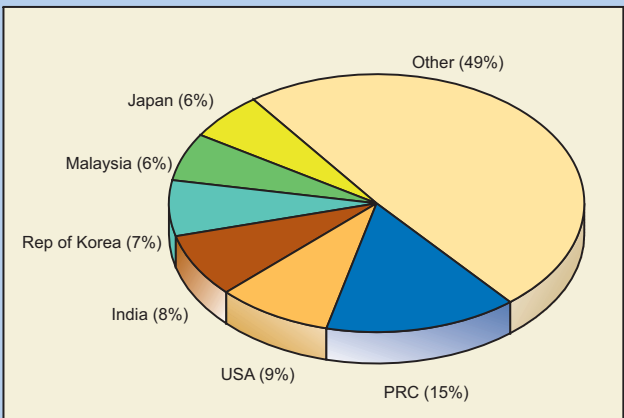
Overseas Students

Fig. 5-13: Student Visas Granted Offshore by Educational Sector 2003-04



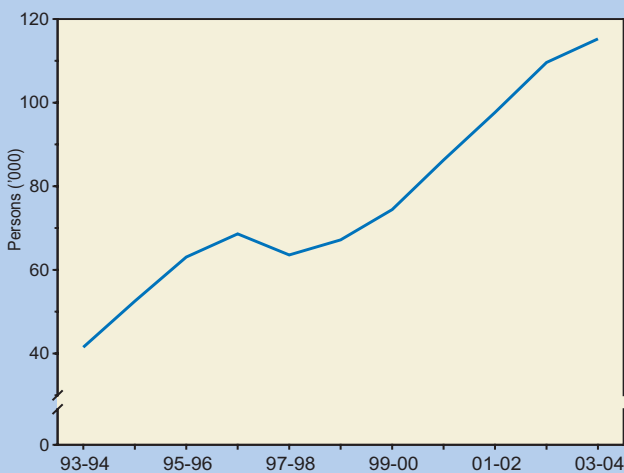
Source Data: IMIRS

Fig. 5-14: Student Visas Granted Offshore by Country of Citizenship 2003-04



Source Data: IMIRS

Fig. 5-15: Student Visas Granted Offshore



Source Data: IMIRS

The Overseas Student Visa 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. The Program aims to streamline 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 around \$5.7 billion in export earnings annually. Education is Australia's third largest service export after tourism and transportation. It directly and indirectly contributes about 46,000 jobs for Australians.

There are seven student visa subclasses, which are specific to the sector of study: ELICOS, Schools, Vocational Education, Higher Education, Postgraduate Research, Non-award and AusAID/Defence.

Growth in the Overseas Student Visa Program

As at 30 June 2004 there was a record number of 179,119 people on student visas in Australia, which represents a 3.5 per cent increase on the number at 30 June 2003.

The demand by overseas students to study in Australia remains very strong. A record number of 171,616 visas, excluding student visa grants for permission to work or change of education provider, were granted in 2003-04. This was a 5.6 per cent increase over the 2002-03 figure of 162,575.

The offshore Student Visa Program has grown from 39,529 visa grants in 1991-92 to 115,248 grants in 2003-04. This growth is partly attributable to the Government's decision in the late 1990s to allow successful overseas students to apply for General Skilled Migration from within Australia as well as from offshore.

Offshore grants in 2003-04 were 5 per cent higher than in the previous year. The major source countries were the People's Republic of China with 17,279 student visas granted (up 21 per cent), the United States of America with 10,723 (up 2 per cent), India with 9,611 (up 62 per cent), the Republic of Korea with 8,214 (up 12 per cent), Malaysia with 7,081 (down 11 per cent) and Japan with 6,650 (up 5 per cent).

Onshore student visas granted (excluding permission to work and change of provider visas) increased by 6 per cent in 2003-04 compared with the previous program year. The major source countries for onshore student visa grants were the PRC with 10,550 student visas granted (up 25 per cent), Japan with 6,236 (up 2 per cent), the Republic of Korea with 6,161 (up 56 per cent) and Hong Kong (SAR of China) with 4,634 (up 7 per cent).

At the sectoral level, the Non-award sector continued to experience significant growth with visa grants up 40 per cent (to 14,067) during 2003-04 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. Grants for the Postgraduate Research sector also increased substantially (up 15 per cent to 37,362). There were marginal increases in the Higher Education (54,890 grants, up 1 per cent) and ELICOS (22,368 grants, up 1 per cent) sectors. The Vocational Education and Training sector experienced a decline in 2003-04 (down 3 per cent to 24,722 grants) as did the Schools sector (down 2 per cent to 12,174).

Processing times for student visas continued to improve. In 2003-04, the median processing times for low and high-risk onshore applications were 6 days and 21 days respectively. On average, low-risk applications for students applying offshore in 2003-04 were processed in nine days and high-risk applications were processed in 39 days.

Student Visa Compliance Activity

Applicants for a student visa must meet requirements that are determined by the sector of study and the corresponding 'assessment level'. Assessment levels reflect five immigration risk factors: visa cancellations, fraud, protection visa applications, application refusals and the overstay rate of different nationalities. The higher the assessment level, the greater the evidentiary requirements that must be met in order to be eligible for a visa.

During both 2002-03 and 2003-04, over 89 per cent of student visa applications processed offshore were approved. Similarly, onshore approval rates have remained static at just over 96 per cent over the last two years.

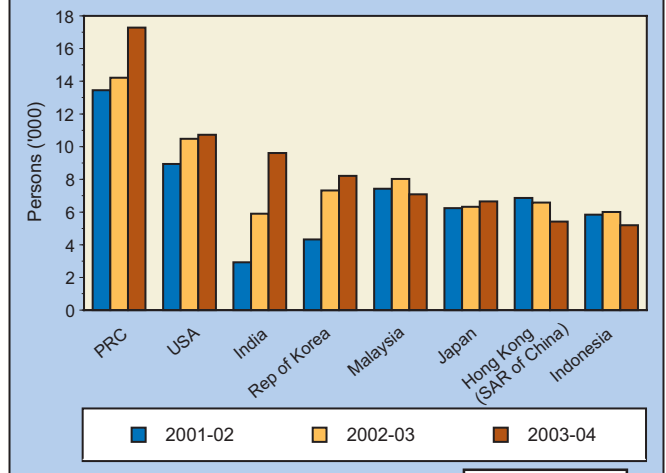
Applications for Protection Visas from student visa grantees declined by almost 17 per cent in 2003-04 compared to 2002-03 (from 356 to 296). Protection Visa applications by student visa grantees have declined more than 50 per cent since 2001-02.

During 2003-04, the actual number of overseas students remaining unlawfully in Australia increased 23 per cent from 1,833 to 2,257, when compared with 2002-03 reflecting the growth in overseas students studying in Australia. While the number of unlawful students has increased, the proportion of unlawful students to visas expiring only slightly increased (from 0.85 per cent to 0.95 per cent).

Student visa cancellations in 2003-04 rose slightly to 8,243 from 8,204 in 2002-03. Although the number of cancellations has increased, the proportion of cancellations compared with grants has declined from 2002-03 (from 5.0% to 4.8%).

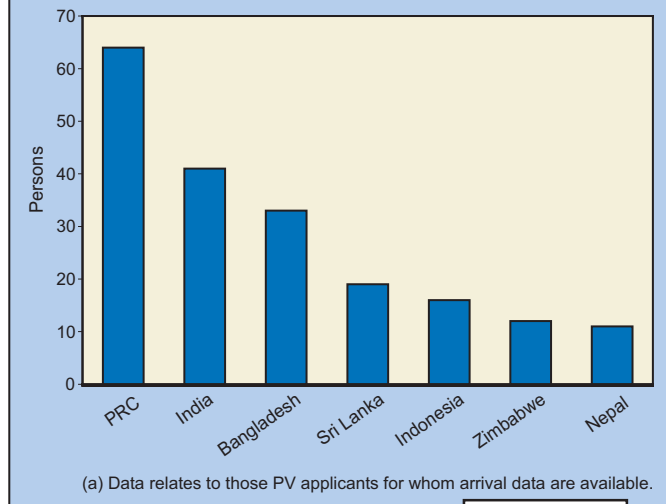
Of the total number of cancellations during 2003-04, 58% were punitive cancellations. Punitive cancellations are those where the visa was cancelled due to student breach of conditions. Of the 8,243 cancellations, 19.7% were cancelled due to the student failing to meet course requirements, 20.2% for student non-attendance at classes and 24.1% for cessation of studies.

Fig. 5-16: Student Visas Granted Offshore by Country of Citizenship



Source Data: IMIRS

Fig. 5-17: PV Applications by Overseas Students by Citizenship^(a) 2003-04



(a) Data relates to those PV applicants for whom arrival data are available.

Source Data: IMIRS

Recent Developments

Certain overseas students, both inside and outside Australia, are able to apply for a student visa online via the internet.

eVisa

Outside Australia - In July 2001 new arrangements were initiated enabling certain Assessment Level 1 (low immigration risk) students outside Australia to apply for and be granted a student visa via the Internet. In July 2002 these arrangements were expanded to all Assessment Level 1 students who were over 18 years of age and who did not include family unit members in their applications. There were 34,801 student visas granted in 2003-04 using this facility. Initially only Sweden, Norway and USA were eligible to apply offshore through the eVisa system.

In July 2004, DIMIA started testing a new Internet lodgement facility for Assessment Level 2-4 (medium to high immigration risk) students in India, the PRC and Thailand. The new facility is also available to members of the student's family unit and students under 18 years of age. Unlike Assessment Level 1 students who may individually lodge their applications via the Internet, access to the new facility is only available to education agents who have signed a *facility access agreement* with DIMIA. A small number of agents are assisting to test the facility in each country.

Inside Australia - Since February 2002, overseas students have been able to electronically lodge applications for initial and further stay student visas and for student visas with permission to work via the Internet.

In March 2004, DIMIA implemented system enhancements permitting automatic visa grant where all requirements are met, for Internet lodged permission to work and initial student visa applications by Assessment Level 1 students.

Offshore Student Processing Centres

The Adelaide Offshore Student Processing Centre (AOSPC) was established in March 2002 and manages paper applications by PRC applicants as well as Internet lodged applications by Indian and PRC applicants. The main objectives are to manage the increasing number of applications from the PRC, reduce overall processing times and free resources in Beijing for greater integrity checking. The AOSPC initially undertook basic functions such as registration and receipting of applications. Experience with the caseload developed to the extent that by March 2004 the AOSPC was processing and deciding all student visa applications from the PRC. Significant reductions in processing times have been achieved for most cases through these arrangements. Most cases are decided by AOSPC in less than 12 weeks. The e:Visa trail will enable this to be reduced further.

The Perth Offshore Student Processing Centre (POSPC), established in July 2001, manages all offshore Assessment Level 1 and Thai Internet lodged cases.

eHealth

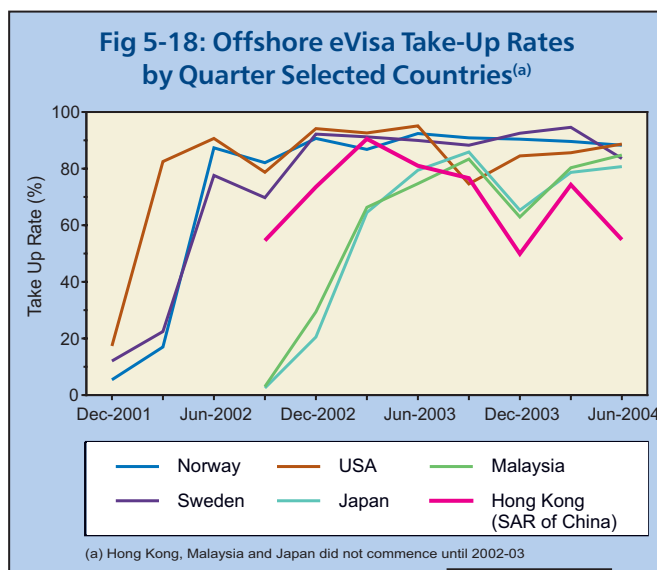
eHealth I - In July 2002 eHealth I was introduced to allow students undergoing x-ray, physical and/or blood tests for their visa to download their own forms and have the results accepted for clearance at the nearest Australian Government Office Overseas. eHealth I enables an electronic record of the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

eHealth II - Even more advanced is the eHealth II system where medical and x-ray results are recorded online using digital images and transmitted to Australia for examination and clearance online 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. The pilot has been a resounding success and expansion is planned to commence shortly.

On-campus Processing

A mobile processing unit enabling electronic visa assessments was introduced in March 2001. This facility allows immigration officials to visit selected university campuses to accept and process applications for a student visa or permission to work. The majority of these applications are finalised on campus.

Fig 5-18: Offshore eVisa Take-Up Rates by Quarter Selected Countries^(a)



Professional Development

The Professional Development Visa (PDV) (subclass 470) was introduced on 1 July 2003. The PDV allows highly skilled professionals, managers and government officials to enter Australia to undertake professional development training. The ability to offer such tailored training will support Australia's bilateral, economic and political relations with other countries. Training programs are generally for a period of 12 months or less.

In order to lodge a valid application for a PDV, an Australian organisation must first apply to DIMIA to become an approved professional development sponsor. During the sponsorship approval process the sponsorship applicant, the training program and the overseas organisation intending to send the trainees are all assessed. Sponsorship applicants are required to make specific undertakings relating to their conduct and the conduct of the sponsored trainees when they are in Australia. They may also be requested to provide a security bond.

Once the sponsorship is approved, the Australian organisation may lodge visa applications on behalf of the trainees. Visa applicants must be outside Australia at the time they apply for and are granted a Professional Development visa. They must be directly employed by an overseas business or be directly employed or nominated by an overseas government organisation or multilateral agency. No dependants are allowed on this visa.

To expedite processing, a centralised processing centre has been established in DIMIA's Hobart office.

Review of the 2001 Student Visa Reforms

A number of changes to the student visa program were introduced on 1 December 2003 following a comprehensive review of the 2001 Student Visa Reforms.

In broad terms, these changes have introduced greater consistency to the financial requirements across all student visa subclasses. The changes have also introduced more flexibility to the evidentiary requirements for higher risk student visa applicants, while maintaining key integrity measures.

For students subject to Assessment Level 2, the most significant amendment was the removal of most limitations on the sources of funds that are acceptable to demonstrate financial capacity. Although non-cash assets such as shares or real estate are no longer directly acceptable, there are no other limitations on the types of evidence an Assessment Level 2 student may provide. To ensure that assets will be genuinely used to fund the applicant's study in Australia, non-cash assets are now acceptable only if liquidated and held as a money deposit or used as collateral against a loan.

Student visa applicants subject to Assessment Levels 3 and 4 now have a broader range of options to demonstrate their financial capacity. This increased flexibility has been achieved by:

- introducing personal loans as an acceptable source across all visa subclasses;
- requiring Assessment Level 3 and 4 students to demonstrate access to funds for at most the first 24 and 36 months of their stay, respectively, rather than the full period of their stay; and
- including Australian-resident aunts and uncles as acceptable individuals to provide funding to Assessment Level 4 students.

A number of changes were also made to the English language proficiency and other evidentiary requirements for Assessment Level 3 and 4 students. These changes include provisions to accommodate students who have previously studied outside Australia in some English-speaking countries, and to support alternative pathways to university by reducing the minimum English proficiency test score for students undertaking preliminary foundation studies in Australia.

Schools Sector English Proficiency Requirements

An English language proficiency requirement for older school students from very high risk countries, including the PRC, was introduced on 1 April 2004.

Applicants from very high risk countries who are 16 years or older are now required to submit evidence of satisfactory results in the IELTS test, although that requirement can be waived in individual cases.

Specific waiver provisions exist for PRC applicants. To be eligible for the waiver, they are required to provide alternative evidence of their English language proficiency - either their PRC middle-school English results or a satisfactory score in an alternative test identified by their intended Australian school. They must also have that school's support for the waiver, either directly or through the use of a nominated education agent.

Introduction of the Student Guardian Visa

The Student Guardian visa was introduced on 1 January 2004. The Student Guardian visa is intended to:

- ensure that overseas students under 18 years of age have appropriate care and welfare arrangements in place during their stay in Australia; and
- allow, in very limited circumstances, for a student guardian to accompany and reside in Australia with a student aged 18 years or over.

The Student Guardian visa allows an overseas student's parent, custodian or relative to live with them in Australia and provide for their general welfare while they are studying

Additional Information

Access to additional information and assistance for student visa applicants has been available on DIMIA's website for some time. This information source contains valuable information including applying for or extending a student visa, changing courses or providers, working while studying and further frequently asked questions. DIMIA also maintains a student visa helpdesk where students can email DIMIA should they require further assistance.

The Department's website has recently been enhanced to provide information to potential applicants, on a more individual basis. The website tool *your student visa – step by step*, was recently introduced to assist in helping students understand and meet the requirements needed for the grant of a visa.

Applications for Permanent Residence by Overseas Students

On 1 July 2001, General Skilled Migration (GSM) visa categories were introduced to enable overseas students to apply for and be granted permanent residence without the need to leave Australia. These visas recognise the preference shown by Australian employers to Australian qualification holders regardless of their place of birth. They also ensure retention of skills and knowledge gained during a period of Australian study.

Changes introduced on 1 July 2003 increased the study-qualifying period from one to two years. Overseas students must apply within six months of completing an Australian qualification obtained after no less than two years of full time study in Australia. Transitional arrangements enabled students studying on or before 31 March 2003 to apply for a GSM visa before 1 April 2004 based on the former one-year study rule.

A change to GSM 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. Holders of an Australian degree, diploma or trade certificate can be awarded five points; holders of an Australian Masters or Honours degree (at least at upper second class level) can be awarded ten points but only after completion of at least one year of Australian undergraduate study; and holders of an Australian PhD resulting from two consecutive years of study in Australia can be awarded fifteen points.

On 1 July 2004, Migration Occupations in Demand List (MODL) points increased. Applicants who nominate a MODL occupation can be awarded fifteen points, while applicants who have a job offer in their nominated MODL occupation can be awarded twenty points.

From 1 April 2005, the passmark for the onshore General Skilled Migration category will increase from 115 to 120. This increase will facilitate a sharper focus on the skill level of prospective skilled migrants.

Onshore GSM visas continued to grow in 2003-04. For 2003-04, there were 13,144 visa grants (including dependants) across the three visa categories: Skilled-Independent Overseas Student (11,541); Skilled Australian Sponsored Overseas Student (949); and Skilled Designated Area Sponsored Overseas Student (653).

In these three Overseas Student visa categories in 2003-04, 45 per cent of successful principal applicants had an Australian Information and Communications Technology (ICT) qualification, while 24 per cent had an Australian accounting qualification. The next largest occupational group was engineers at 6 per cent.

In terms of citizenship of the principal applicants of these Overseas Students categories in 2003-04, the top 15 countries comprised about 90 per cent of the total. The main countries of citizenship were India and the PRC (each comprising 20 per cent of the total), Indonesia (11 per cent), Malaysia (7 per cent), Hong Kong (SAR of China) (6 per cent) and the Republic of Korea (4 per cent).

Fig. 5-19: Grants of Permanent Onshore Residence Visas to Those Who Arrived as a Student 2003-04

