



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE ON MIGRATION

Reference: Working holiday visas

CANBERRA

Monday, 2 December 1996

OFFICIAL HANSARD REPORT

CANBERRA

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Present

Mrs Gallus (Chair)

Senator McKiernan

Ms Gambaro

Senator Tierney

Mr Kerr

Senator Troeth

The committee met at 8:36 a.m.

Mrs Gallus took the chair.

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CHAIR—I am pleased to declare open the second public hearing to be held in Canberra during the inquiry into the working holiday visas by the Joint Standing Committee on Migration. The committee has already conducting hearings in Sydney, Brisbane, Townsville and Cairns, and later this month will be holding hearings in Melbourne and Mildura. Australia's working holiday program has been in existence since 1975. The program was designed to enable young people from other countries to enjoy an extended holiday in Australia and to supplement their funds by incidental work. Benefits flow from the reciprocal nature of the scheme which provides the opportunity for young Australians to holiday and work overseas.

The committee has been evaluating how the scheme is operating and what its future direction should be. During the course of the inquiry, we have been mindful of a number of issues, in particular, the impact of the program on job prospects for Australians, as well as opportunities for young Australians to take advantage of reciprocal arrangements with other countries. This morning the committee will be taking evidence from two of the Commonwealth government departments with direct responsibilities and interests in the working holiday scheme, the Department of Foreign Affairs and Trade and the Department of Immigration and Multicultural Affairs.

Before commencing with our first witnesses, I remind everyone that these are the proceedings of the parliament and warrant the same respect which the proceedings of the parliament deserve. This committee does not require witnesses to swear an oath or affirmation, but this does not diminish the importance of these hearings.

[8:36 a.m.]

\DB\WLBHEYWARD, Mr Peter Maxwell, Director, Refugees, Immigration and Asylum Section, Department of Foreign Affairs and Trade, RG Casey Building, Barton, Australian Capital Territory

LAMB, Mr Christopher Leslie, Legal Adviser, Department of Foreign Affairs and Trade, RG Casey Building, Barton, Australian Capital Territory

SPRY, Ms Janet Patricia, Desk Officer, Immigration, Refugees Immigration and Asylum Section, RG Casey Building, Barton, Australian Capital Territory

CHAIR—Welcome. Thank you for your submission to the inquiry. I now invite you to make a brief opening statement before the committee proceeds to questions. I suggest that you keep that fairly brief because we do have your submission in front of us.

Mr Lamb—Thank you very much. Yes, I will be very brief. Our submission states our strong support for the working holiday maker scheme and our hope that it will be maintained as a result of your inquiry and the other work being done. We would also hope that it will be possible to affirm the reciprocal value of the working holiday maker arrangements so that there are more opportunities for Australians to travel and work in a larger number of other countries. This would mean, of course, that there would be more people coming here receiving exposure to Australia during their younger days and then going back home to their countries, moving on to positions of management and responsibility with a good understanding of Australia as they develop themselves.

CHAIR—That was very brief. Should there be a cap, yes or no?

Mr Lamb—I happen to think that there should not be a cap, that it should be possible for arrangements to be made with individual countries that would allow the maximum number of people who would come into Australia in any one year from the whole range of countries to be quite variable. It might be necessary to cap the numbers from particular countries as part of the organisation of reciprocal arrangements, but for my part I would prefer to see the figures run free. I think that the ordinary movement of young people—and, generally speaking, of people up to the age of about 30, although there might be cases where that would be different and we could talk about age separately—would probably mean that you would not have a substantial problem of oversupply into Australia, or over-movement out of Australia at any given time. People would move in accordance with ordinary human wishes.

In saying that, I do not see in any way, the working holiday maker scheme as providing an employment supplement to Australian conditions. If we were to come to a situation where any particular industry decided that the way to solve its seasonal work problems was to bring in a huge number of young people from elsewhere, then I might well be persuaded that we should look at ways of capping or restricting the application of the scheme. I see it in the way that I have described it in the first place, which is very similar to the way that you describe its

background, as a scheme that enables young people to go to each other's countries, learn more about those countries, return home, and move on and upwards.

CHAIR—What would happen if we established reciprocal relationships for the working holiday visa with countries where there is a much lower wage structure? For instance, Indonesia and Malaysia have been mooted as two possible countries where we could establish the scheme or get that bilateral agreement going. Would some of the younger people, be tempted by the higher wages they could get in Australia, if they could get the fare to come here?

Mr Lamb—You would find that the kind of employment that the young people took would not normally return large moneys. They would be moneys that enabled people to subsist, eat, meet other people and entertain one another in the 12-month period they were here. They would not make large savings from it. People coming to Australia from the countries that you mentioned would earn enough, in the kinds of employment that they would have, to meet the costs of living that they would confront in Australia, which would be higher than those they would meet in their own home countries.

Conversely, the Australians who went to, say, Indonesia, might earn less in Indonesia than they would earn here. On the other hand, they would earn enough to be able to subsist in the Indonesian conditions that they were going to work in for their holiday purposes. I do not think that would be likely to be a big problem.

CHAIR—Let me push it just a little bit further. I am interested in this, because the department of immigration also raised it. Imagine a group from a country where the wages are low—let us not specify the country—and imagine that they—and I see this as one of the financial barriers—could get here: there would be nothing to stop them living extraordinarily cheaply by a lot of them bunking in one room. As a comparison, in Japan, I am aware of young working holiday-makers from all countries doing that. I think there were 15 from Brazil, Nepal and Australia living in what was the equivalent of about a two-room flat in Tokyo. So there is the possibility that you could live extremely cheaply here, with the idea of earning those relatively higher wages. I am just pushing this. I want to see how we go on it.

Mr Lamb—If I were speaking lightly in response, I would say that, in a way, you have answered the question yourself. Some of those in this two-room outfit in Japan were Australians. I do not think it is a condition you would necessarily associate with any particular nationality. You will often find that students will decide to save money—if you are looking at a student group—by bunking in crowded conditions, as you or I might have done when we were students. I am older. I am now one of those people who like hot and cold running water. But there are plenty of students who decide they are going to be able to live better and do more with their money if they crowd their accommodation. Maybe they will.

At some point you come up against the ordinary health and safety rules made by municipal administrations to prevent that kind of thing. But, if people are living in accommodation which is organised according to the law, I do not really mind if they decide

they want to save money by crowding. Some do. Others do not. I do not think it is a serious problem that would change my attitude to the scheme.

CHAIR—I raise it, because the department of immigration raised it while looking at the possibility of reciprocal arrangements with other countries. They also raised the possibility that there might be some inclination for more overstaying from some countries that we do not have reciprocal arrangements with at present. Would you have any comment on that?

Mr Lamb—One of the issues that we would take into account when deciding whether to negotiate a working holiday-maker agreement with another country would be the likely tendency, from track record statistics, of people from that country to overstay. If we thought that a country was a common supplier of overstayers, we might be less than enthusiastic about negotiating an agreement with them.

In our evidence to the committee over the years—and Senator McKiernan would remember well the evidence that we gave on issues connected with visa policy last year and the year before—we always had criteria that we would look at before we negotiated anything with another country. Those had to do with issues like overstaying, national security, et cetera. We would apply the same criteria to the decisions about whether we would negotiate these agreements.

CHAIR—Just for clarification: is it the Department of Foreign Affairs and Trade that negotiates or is it the department of immigration that negotiates on the working holiday visa arrangements?

Mr Lamb—The department of immigration negotiates, but, ordinarily, there would be interdepartmental consideration of which were appropriate countries with which to conclude such agreements. It is a while since I was connected with this point, but that ordinary interdepartmental negotiation might well involve people from departments like DEET as well. Perhaps Ms Spry knows the answer to that.

Ms Spry—Yes. DEETYA would be involved in those negotiations. Another point I wanted to add to what Mr Lamb said was that we have received some additional information from the Australian High Commission in Wellington about a working holiday arrangement between New Zealand and Malaysia. That might interest the committee, and I will provide details of that to you today.

CHAIR—Do you have it there now?

Ms Spry—Yes, I do. Very briefly, there is a cap of 100 Malaysian citizens a year to travel to New Zealand under their working holiday scheme, and that scheme is also restricted to only a six-months visa, whereas the arrangements with other countries are typically 12 months.

CHAIR—How comfortable are you with that sort of arrangement, such that for some

countries you are saying, 'Okay, we are going to limit it to a certain number' but you are not limiting it in the case of others? How close do you go to saying that we have got a discriminatory policy? Or do you get away with it because it is a reciprocal agreement with another country?

Mr Lamb—You do get away with it, if you do it on the basis of reciprocity. In developing the scheme to one of transparency—one that shows the kinds of conditions that we would take into account when looking at what we could allow—if things are very clear from the available statistics which the immigration department publishes on overstay rates and all those things, then it would be within wit—rather than easily possible—to make it clear to people that what we are doing did not discriminate on the basis of anything other than objective facts.

CHAIR—Ms Spry, did you want to table the documents that you have there today?

Ms Spry—Yes, I can do that.

CHAIR—Fine. Senator McKiernan, do you want to finish your coffee before asking questions?

Senator McKIERNAN—No. One should grab the opportunity to ask questions of Foreign Affairs: you do not pass up the opportunity, even at 10 minutes to six, Western Australian time, on a Monday morning! From what you said and from what is in your submission, Mr Lamb, you are not in favour of a cap at all, as it is a free situation. But surely it would have employment considerations for Australia, were there no cap in place and no means of control. The government should not allow a program such as the working holiday-maker visa program to run out of control. Have you got a comment on that?

Mr Lamb—Unfortunately, Senator, it goes beyond my narrow portfolio to give an informed comment to that. I think it is reasonable to say that our projections are that the distance that Australia has from the rest of the world and the types of countries that we would be likely to negotiate arrangements with would make it unlikely that we would confront an employment problem. In those circumstances, I would prefer to do without a cap. As I said before, if I thought that people were rorting the system or that something was going in a direction that showed that anybody was using the scheme in order to avert employment problems that they might have at home or to make life a little easier for them on the employment front, then of course I would be very happy to move in and say, 'Yes, in those circumstances, we probably do need a cap'. But, for the time being, I do not think we would gain much from introducing that kind of control.

Senator McKIERNAN—The then minister last year put the cap in place on the number of visas that were going to be issued, and the committee has been given evidence on a number of occasions throughout the course of this inquiry that that caused some quite considerable embarrassment in some of our overseas posts. Have you got any information or records of that?

Mr Lamb—No, I am afraid not. I do not know about that; but we would be able to go through our files and see what we could find. If we could get more details from you after the meeting, we would know where to go to chase it.

Senator McKIERNAN—Fine.

Mr Lamb—May I say that the issue of an overall cap can often be found by the numbers as you add them up from the individual bilaterals that get done. You get a guide from that. You might not get an exact lid, but you would get an idea of what your targets were and you would be able to provide a figure to the domestic industries and others that will tell you roughly that this is the number of people you are going to have coming in.

If I could just go one moment further, if you apply a cap then you get into the problem of sorting out, as between nationalities or countries, how you apportion the various participating countries to arrive at that cap. The thing that I particularly worry about is that you might find yourself being accused without any need for it, because you have not actually got figures that will arrive at any of the individual bilaterals that you will get to. You might get accused of embarking on forms of discrimination that I do not think would do us much good.

Senator McKIERNAN—Do you think there is a potential problem because many of our reciprocals that we have got in place at the moment are informal rather than formal arrangements—for example, the relationship we have got with the UK?

Mr Lamb—No, I do not think that is a problem. It depends on local law as to whether the arrangement can work well informally or not, and in those countries where local law makes it possible to work happily through an informal understanding or arrangement I think that is fine.

The main characteristic that I would apply to any of these informal arrangements is that they must be transparent and that everybody who needs to know what the numbers are and what the countries are, including particularly the parliament, should have that information available. You often use formality in order to force transparency onto a system, but we have been able to get by quite well with informality in the case of some countries here.

Senator McKIERNAN—Right. A final question from me is the matter of reciprocal agreements and arrangements. Are you aware of any approaches any countries have made to Australia, or in turn Australia making to other countries, to establish reciprocal arrangements where those arrangements have not been forthcoming? If there is potential embarrassment being caused, you might care to take it on notice and provide a reply to us off the public record, as it were.

Mr Lamb—If that were necessary we would. We do know some things that can be made available and Ms Spry can answer. They have to do with European Union countries which are waiting to conclude their own Schengen arrangements before they move to

negotiate with others. Would you like to comment, Ms Spry?

Ms Spry—In the last year and a half we have been involved in preliminary negotiations with three countries of the European Union—Italy and Greece and one other country—and those negotiations were eventually put on hold because it was a higher priority for the EU countries to conclude their own visa arrangements within their Schengen agreement. They needed to establish and simplify their own visa arrangements with each other before they could deal with third parties such as ourselves. But the matter is on hold only, and is able to be reopened.

Senator McKIERNAN—You mentioned Italy there. It is not part of the Schengen agreement, is it?

Ms Spry—I believe it is.

Mr Lamb—Italy, yes.

Senator McKIERNAN—The information here says that there are seven countries in the Schengen.

Mr Lamb—I am not sure what you have there, but I think the aim was that eventually all the members of the European Union would become part of the Schengen agreement.

Senator TIERNEY—There have been claims in some of the submissions that capping has created negative publicity for Australia and had an adverse affect on tourism. That was a claim in a number of submissions. Do you have any evidence of that?

Mr Lamb—I'm sorry, I missed the first part of it.

Senator TIERNEY—Capping.

Mr Lamb—Putting on a cap would have a negative effect on tourism?

Senator TIERNEY—Yes, and on publicity for Australia overseas. Do you have any evidence of it? Some of the submissions claimed that that had happened.

Mr Lamb—In all honesty, I would like to be able to agree with that, but I do not really think that it is so—not in the way that I see things. If you run a proper marketing campaign for your tourism industry, I do not think that the absence of working holiday maker opportunities or a cap would make a lot of difference. Caps are not uncommon in a lot of other countries. I just happen to think that they do not work well for a country like Australia because they are administratively difficult and because they can lead to impressions of discrimination across nationalities. But I really think that it is taking a pretty long shot to say that that affects your tourism industry.

Senator TIERNEY—What about an adverse effect on Australia's labour force of the working holiday scheme? Do you see it, on balance, as having an adverse impact?

Mr Lamb—I am not really qualified to answer that question—the people from the employment department would be better qualified. But, my impression—again, from my experience in overseas posts looking at Australians going out and other people coming in—is that I really do not think so. I think that the numbers balance each other quite reasonably and neatly. The bulk of those that come from other countries come as students or during their student time, so far as I can judge. Most of them come here during northern hemisphere holiday periods when the Australian students who would normally be working in the same sorts of casual labour are not available to work in that way.

I think the balance is pretty easy and pretty comfortable, really. I think that the long-term benefit for Australia of having more people going back to their countries, moving on through study to do whatever they move onto in later life and then becoming senior managers and policy makers in their own country with an understanding of Australia is immense for us. You cannot quantify it. You cannot say it is worth X dollars or that there is a particular Treasury result from it. But I think that the personal vibes that we get as a country and the strength of relationships that are built between our young people through this kind of program are wonderful.

Senator TIERNEY—You mentioned in response to a question from the Chair that people were coming in and making up a shortfall, such as in seasonal labour. I assume you were saying that this really is not the intention of the scheme?

Mr Lamb—That is right. That is not the purpose of the scheme.

Senator TIERNEY—And you would think that we should do this by other means, not by this particular scheme?

Mr Lamb—I would think that, yes. I do not think that we should use the working holiday maker scheme for any real forms of regular or predictable employment, if I can put it that way. Again, I am speaking in a rather unqualified way to offer this view. But, if there is a season in which a particular type of labour is required and it happens every year because the sun shines and summer follows winter, then I think that the employment agencies themselves ought to make a plan for filling those jobs with people who come for other purposes. It effectively rorts the working holiday maker scheme and causes debate about issues like caps, which I do not think should be necessary.

Similarly, I do not think the scheme should be used: if it is predictable that you are going to need people with a particular language facility in a particular job all the time, therefore, 'Let's roll people through on three-month contracts, because that is what the working holiday maker scheme allows,' I think that is wrong as well. It rorts the system. I am not saying that it happens a lot, but you hear argument about this. We have a lot of contact with non-government groups, employer groups and union groups. They tell us these kinds of

things. We have a society which is blessed with a great abundance of language facility. We ought to be able to recruit locally with predictable assured employment.

This scheme should be one that enables young people to move through, learn about Australia and go on and upwards in their own countries; similarly to bring back to Australia Australians who have done the same thing overseas. But I should just correct myself. I keep on saying 'young people'. Young people includes me for this purpose. I do not have a particular attachment to an age limit, although I understand that there are arguments about this.

Senator TIERNEY—You touched on Japanese people coming in, and you mentioned that Australians should have opportunities in this area. Yet evidence that we received in Cairns seems to indicate that Japanese companies in the tourist trade are tending just to pay lip-service to this. They put ads in the paper, but then they tell Australians they are not suitable. They consistently recruit from their own countries. Is this a matter of concern to DFAT?

Mr Lamb—Actually, if I may correct you, I did not actually use the adjective 'Japanese', because I was not sure whether you could restrict it to any particular nationality. I am not sure that there is a special—

Senator TIERNEY—I must have just applied the general—

Mr Lamb—I think it must have been what you heard in Cairns that led you to say that. But it may happen with the other nationalities as well.

Senator TIERNEY—It probably was.

Mr Lamb—So, if it were to happen—

Senator TIERNEY—Let us focus on the specific—

Mr Lamb—I do not know enough about how the law operates in this area. But if it were to be clear that that was happening and if the law governing employment discrimination were able to come into play in an area like this and show that people were effectively being excluded from job opportunities because of a different employment tradition that a company had decided to maintain and that it was using the working holiday maker scheme for that purpose, then I would get very worried about it, yes.

Senator TIERNEY—We have received overwhelming evidence in Cairns that that was the case. Is DFAT very worried about that or haven't you received any evidence on that at all?

Mr Heyward—Perhaps I can add that if that is a problem it is not a problem that can be dealt with through the scheme. There are other avenues under Australian law that could

deal with that problem. The way the scheme is structured with people coming to Australia being able to work for only three months in any particular area should mitigate against long-term employment. Australians who are more readily available for longer term employment should have an advantage there. If that is not working there must be other areas in Australian law that could remedy the situation. In other words, it is not a problem that is inherent in the scheme; it is a problem that could be rectified in other ways.

Mr Lamb—I think it is valuable to hear from you what we have heard. Your inquiry has stirred up some evidence that we are not otherwise receiving. I have not been aware until the committee's inquiry brought it to our attention that this goes on. We are available at any time day or night to hear these things from people around the country. Perhaps we have not done a good enough job of marketing to Australia our own readiness to hear these sorts of points. We would like to be able to find ways of dealing with them in the broader context of the different bilateral relationships. But, as Mr Heyward says, it is not necessarily dealt with through the working holiday makers scheme.

CHAIR—Say somebody did have a complaint. How would they know to contact DFAT? You are living in Cairns and you have got a real bitch about what is happening. How would you contact DFAT and how would you know that DFAT people were relevant to contact?

Mr Lamb—Often people contact DFAT when there is an issue which involves another country and if there is a foreign country anywhere in the equation they think in terms of the foreign minister or foreign affairs or whatever.

CHAIR—My question is really whether they have access. Say I am living in Cairns. Can I open the Cairns directory and find a listing for you?

Mr Lamb—I cannot answer that, I am afraid. I do not know whether that is possible.

CHAIR—I am just following up Senator Tierney's point. That is a very good point that you have made, that they can contact you but I am just not sure that it would actually occur to anybody in this situation to contact DFAT—and if it did occur to them, would they know how in the world to go about it?

Mr Lamb—We get letters and ministerial correspondence. We help the minister with material so that he can respond from lots of different sources. Quite often, as you would know, it comes via a member of parliament who is written to by a constituent who is outraged about a thing or has an inquiry to make. That is fairly common.

CHAIR—That would probably be the first method.

Mr Lamb—And that is state or federal. We get them from state or federal members of parliament. We get them from mayors and town councillors as well who have heard things from people in their own constituency areas. We get them from members of the public who

write in. We saw a letter the other day which was quite interesting; it came from a man in Wagga who addressed it to Alexander Downer, Foreign Affairs, Australia, that kind of thing. People do not have to have a literate command of zip codes and all those kinds of things to be able to get a letter to us. If they have got something they want to say they just address it in whatever way.

We still get letters addressed to our current minister in the name of the former minister. It seems to take quite a few years I am afraid in Australia to recognise that governments change and we still get letters addressed to Gareth Evans, Foreign Minister, from various parts of Australia. I am sure we will get letters addressed to Alexander Downer, Foreign Minister several years after he has moved on to other things. This is the way things normally happen. In other words, it is very easy for people, even with a limited understanding of what has actually happened, to get messages to us. They tend to do that pretty easily but if we were able to do anything that made us more accessible I would be very happy to take that on.

Senator TIERNEY—The work limit of three months with one employer was touched on a few minutes ago. We have heard a lot of evidence that through associated companies people sort of change on the books the location but they keep working for the same person. Does it really matter that they have a three-month limit with one and then move to another? Surely, if they are working for six months it does not really matter whom they work for in terms of its effect on employment opportunities for Australians?

Mr Lamb—I think the idea was, Senator, that by putting a three-month cap on the time they could spend with any one employer you would keep the idea that they were travelling students who were moving around our vast country before going back to their small European country and, in the origins of the scheme, translating our large country to their small country. But I share your scepticism about all this, I am not too clear on it. I do think that you could argue that if someone were with an employer for six months or more, then you would find that they were doing jobs which ought to be filled through regular employment advertising rather than by transients.

You might decide that people were coming here and not learning about our wide and vast country and taking the message home; they were just working in an ordinary urban environment—Sydney, San Francisco, Amsterdam, they are all big cities with tall buildings—so what has the person really learned? I do not really have a particular view about that but I do think that it is almost impossible to police the arrangements that they have in place right now, so you could question how valuable they are.

Senator TIERNEY—Is the imbalance between the number of working holiday makers entering Australia and the number going overseas a matter of concern to DFAT?

Mr Lamb—We probably have not done, as a government, all that we could to make it clear to Australians what they are entitled to do. I notice it when travelling around and going to different parts of the country to talk to non-governmental groups. I can remember, for

example, going to the United Nations Association general meeting in Adelaide last year. People were there from different walks of life and age groups and one of them was talking to me about just this kind of thing and said, 'How can I go and work overseas?' I thought, 'This is interesting. Here is this person at Adelaide University who knows nothing of the fact that there is a working holiday maker scheme under which opportunities are available.' There might not have been opportunities in all the countries that student wanted to go to, but certainly in some of them. I think that we probably have not done quite enough, as a government, out there on the campuses and in places where people of the right age groups would gather.

Mr KERR—Your submission raises this issue of whether or not the age band ought to be expanded. Can you develop on what you have said? You have been very oblique in your submission; perhaps you can be more direct?

Mr Lamb—Yes, we are a little oblique in the submission because, again, it is not really a subject on which we have a particular portfolio handle although, from my perspective as a person who has worked for the government at home and overseas, I do not see any especially good reason why the age limit should be set in concrete. I think that if a person is able to go away and do some casual work which enables that person to do an enriching thing that will come back and benefit Australia, then it is in our own interest for that person to do that.

I said to my colleagues, as we were having a cup of coffee before the start of this meeting, that I did not see any good reason why a person of my advanced age should not, for example, be able to be on, say, long service leave and go travelling in some of these places, get a job as a barman to get enough money to subsist while I gathered material and come back and write a book. There is no really good reason why you cannot do that at my age; you can do it at half my age.

I do not really have a firm attachment to this, but I do think that it is important that we should try to find ways to drive the scheme with people who are likely to go away and come back and contribute from the experience they have gained overseas. Ordinarily, you will do that with people who are more likely to be young than not young.

Mr KERR—Would there be any difficulty in negotiating reciprocal arrangements which would facilitate that? One of the other oblique suggestions in your paper is that we should be more mindful of that degree of reciprocity. I assume that what is good for the goose has to be good for the gander in this one. It is no good us having a will to do something, were we so motivated, if other countries are unlikely to be sympathetic towards that objective. Do you have any views as to whether an approach from the Australian authorities to the various countries with whom we have agreements to adjust the age arrangements would be favourably or unfavourably viewed?

Mr Lamb—I think we would also have to have some negotiation at home amongst ourselves, as to how we would define those who are, say, over the age limit of being acceptable. You might say that it was not just anybody otherwise you would find yourself with

the very problem that Senator Tierney referred to, with people being brought in to do a job by a company that wanted to fill a position. They just bring in someone at whatever age to do a job for three months. That is not what the plan would encompass so we would have to do a bit of work on definition. With the other countries, once we had worked out what our definition was, and how we were going to do it, I would feel fairly confident that the thoroughness that we would have approached definitional work with would be impressive to a lot of our partner countries and that they would be interested in what we had done.

Lots of other countries face the same fundamental problem of how you define a person once they have crossed an age threshold. There is always a problem of what the age threshold is and we have all fiddled in different countries with this. In fact, the age threshold that we now use, and are reasonably comfortable with, of 30, is too old for some of the other countries we work with. Some of them think that people have done all of the studying that they need to do by the time they reach about 23. So there are different patterns in lots of places. People leave school, and travel and then study or, sometimes, and more commonly now in Australia, they leave school, study and then travel. It is difficult to know how to take that across a lot of cultures.

Ms GAMBARO—I was going to ask you about uniformity in ages because I speak to holiday-makers all the time, and there is quite considerable confusion with different countries but you have just answered my question. As you have said, with that uniform age of up to 30, some countries see that as far too old. Just going on age, one of the suggestions that you have made is that working holiday-makers be aged between 20 and 30 and that some 18- to 20-year-olds have some difficulty. Could you outline some of the problem areas. We have heard submissions in other areas that particular working holiday-makers come out with insufficient funds and have to rely on charitable organisations to help them through. Do you hear many cases of that?

Mr Lamb—I will check on that one, if I may.

Ms GAMBARO—I think you said that 18- to 20-year-olds are lacking direction, and do not possess genuine funds and are more likely to abuse the visa conditions.

Mr Lamb—I do not think that was in our submission.

Ms GAMBARO—My apologies. Going back to ages, do you feel that we could work more closely with countries about some sort of uniformity with ages or do you think it is a stumbling block that there is no way around?

Mr Lamb—One of the difficulties is that there probably is no way around it because of the different cultures and different perceptions of capacity at ages. I suppose the difficulty for an Australian who goes travelling in a range of countries is that he or she can work in some countries but not in others because of age. It is a problem for our posts abroad—when issuing visas for people to come here—trying to keep track of what reciprocity conditions exist for different places.

Let us say a touring group arrives at our consulate in Bali and that it is made up of a whole lot of people from different countries. The group that Mrs Gallus referred to in Tokyo included Nepalese, Australians and Brazilians. Let us say that a bunch of Nepalese, Brazilians and Japanese arrived at the Australian consulate in Bali and applied for working holiday-maker visas. You would subject the people in the post to the task of looking at the different provisions that exist for each of those nationalities and then issuing different validity visas perhaps to different individuals in the same group. I would rather not see that happen.

I would rather see us having a reciprocity system which enabled us to say, 'For our purposes, Nepal, Brazil and Japan have all emerged as countries which meet a block of criteria as reciprocals. All the students coming in from those three countries qualify for the same type of visa, even though the Australians going to those three countries might actually not have the same conditions applicable to them.'

Having said that, I would like to see that in the negotiations we conduct with other countries we do our level best to make sure that what we give to people coming into Australia is what the Australians going to their countries will get. There is a lot of work in this, though. The resource implications of going into a more extensive reciprocal arrangement should not be underestimated.

Ms GAMBARO—With your overseas post officers, does information regarding these programs flow through to them fairly freely? To your knowledge, are people overseas being given the correct information?

Ms Spry—Yes, as far as we can tell. We receive not very much direct feedback. I imagine that most direct feedback by working holiday-makers concerning the issue of their visas would go to the Department of Immigration and Multicultural Affairs, rather than to us.

Ms GAMBARO—Thank you. When you were speaking about the European agreements you mentioned discussions with European countries such as Italy and Greece and you said that, at the moment, nothing further was happening in that regard. Could you expand on that?

Ms Spry—I would suggest you should also direct that question to the Department of Immigration and Multicultural Affairs. They initiated the consultations.

Ms GAMBARO—I will do that.

Ms Spry—In brief, the negotiations have been put on hold until such time as some of the Schengen agreement visa arrangements have been settled.

Ms GAMBARO—Thank you very much.

CHAIR—If I could follow up the question about the posts, what sort of pressure does

looking after WHMs put on your posts?

Mr Heyward—It depends on which posts and in which countries. In some countries and at some posts, there are Department of Immigration and Multicultural Affairs officers who handle immigration issues. At some others, it is all done by the Department of Foreign Affairs and Trade staff. The pressure depends on the numbers of people that are applying for these visas and the degree of familiarity the staff will have with them. There are some changes in that system at the moment.

I know that the Department of Immigration and Multicultural Affairs, through other changes, is reducing the numbers of staff overseas. That may well put some of the Department of Foreign Affairs and Trade staff in a position of having to take on new responsibilities, with a new knowledge required. As you say, that could be an element of pressure. Changes in the scheme to extend it could also require more Foreign Affairs and Trade officers to become familiar with the scheme and its provisions, and that could be a pressure on a post as well.

CHAIR—Do you have sufficient resources to promote the scheme overseas, or is it just word of mouth? What sort of promotion do you do?

Mr Lamb—We do not promote the scheme overseas. That will ordinarily be done by those who are interested in promoting entry to Australia, in their own nationality. What I was referring to before was that there is a greater need for us as a department, in conjunction with others, to promote the scheme in Australia so that Australians go out and bring benefit back. It has got to be properly reciprocal in that sense.

CHAIR—We hear about the young people coming here unaware that they could have got the visa in their own country. They are the ones who are excluded in the bilateral relationships, especially young Swedish and German people. They get here and would love to stay longer, but do not have that ability because they cannot get the visa. If that was changed, would you be able to cope with that at all?

Mr Lamb—To allow them to change their visa?

CHAIR—To get started. For instance, for a young German to pick up the status in Singapore.

Mr Lamb—I think they can do that.

CHAIR—No, they cannot if we do not have a bilateral relationship; they have got to do it in their own country.

Mr Heyward—It would have some resource implications for us. In fact, we sought some advice from a couple of posts—Bali and Wellington—where that change might be expected to have an impact. The advice, on a very quick calculation, was that it would have

some impact; it would not be impossible to cope with, but it certainly would have resource implications which would have to be looked at.

Mr Lamb—But I must say that I think that it is a little anachronistic—if I can be gentle about it—to have a requirement that people be in their country of nationality to obtain a particular kind of visa. The mobility of the modern world is such that you will very frequently find people who are not of that character. You will also find that, because there is such a lot of exchange between universities on a worldwide basis, there will be students from country X studying in country Y, wanting to go as a group and have their holiday in Australia. Why should they all have to go home to X, W, T and U in order to get visas so they can meet again to do a job in Australia? They might all be studying at the National University of Singapore from different parts of the world. It would be nonsense.

CHAIR—Where there is not a bilateral arrangement, I conclude that DFAT would be in favour—if young people meet the criteria of reciprocal benefit to both—of them picking up those visas in countries that are not their own countries? I will come back in a minute to that criteria and how difficult it is to assess that.

Mr Lamb—I would be talking reciprocity on the basis of nationality rather than the place of application for the visa. I would not be looking at reciprocity involving the place of issue, but the nationality of the holder.

Senator TROETH—On page 3 of your submission, point No. 10, you have given some details of the number of working holiday maker visas issued for Australians proceeding to separate countries. In point 11, you suggest that program numbers should be set in direct relation to the opportunities available to Australians to travel abroad. I note that, for the UK it is a fairly even balance, and also for Canada, but it is not so for Japan, Ireland, the Netherlands and Korea. How would we go about achieving more of a balance? If there are a certain number of Japanese coming here, do we make sure with the Japanese government that a similar number of opportunities are available to Australians who wish to go to Japan?

Mr Lamb—The difficulty with Japan—to choose that country—is that practically every person who goes through school in Japan and then moves into university learns English. All of them are keen, I would surmise, to improve their English by giving it some time in an English-speaking environment. Australia is a very suitable and friendly one for them to do that. Not as many Australians go through school and university and emerge with enough Japanese to work on. So you will always have a disproportion, probably, in relation to Japan.

Nevertheless, what I would do is to advertise in universities and schools in Australia the availability of this scheme. I would see how that went in getting people there. I know some people—even at the National University here in Canberra—who have studied languages like Japan and Korean. In fact, I know a very recent student—she has fortunately just moved into employment—who did Korean. She did not know that there was this working holiday maker opportunity available to her. She studied Korean at the ANU and speaks it well. I think this is a great shame and a bit of an indictment on our own advertising powers in Australia that we

have not done that. So that is Japan.

As for Ireland, I find the Irish ones are the most extraordinary statistics on the page. The disproportion for Japan is, after all, 5,600 to 1,300. The disproportion for Ireland is 4,300 to 123. I think that is abominable. It displays an absolute failure at the domestic end to advertise the program and to make it clear. Heaven knows—Senator McKiernan probably knows the answer to this question better than I—how many people there are in Australia of Irish extraction who could have had their sons and daughters back in Ireland doing a bit of working holiday maker work there. Maybe Irish bars are not where Australians want to work—sure.

Senator McKIERNAN—I would not know.

Senator TROETH—But with those countries in which there is an imbalance, are the opportunities there for working holiday makers to achieve some sort of employment?

Mr Lamb—My understanding is that the opportunities usually have to be found by the young people themselves and so it becomes a little harder. I do not know. How do the young people coming to Australia manage to find these jobs? I do not know whether Australian agencies advertise in foreign student newspapers or whatever. I do not actually know what runs in the foreign student newspapers. But you have spoken to the people from the Department of Employment, Education, Training and Youth Affairs and I guess they have given you some answers to these points.

But I think it is an immensely valuable program for Australia in the longer term both because of the people coming in and those that go out and come back. We need to be able to get a program that really does work for Australia. What we have at the moment I suspect is a program that has grown up over the years since 1975. It looks okay but it actually has not been used to its full potential. But it is very valuable for Australia, I think.

Senator TROETH—Certainly, I am probably not telling you anything you do not know, but there does seem to be an informal network in Australia for people of other nationalities who arrive here. But, given the fact that in 1995, at any given time, there would have been 123 in Ireland, for example, it might make it difficult to set up an informal network. But I am sure there are other avenues, as you suggest.

Mr Lamb—Ireland—everybody knows each other in Ireland though. There must be all kinds of things going on. They are all related to somebody in Australia. There has got to be something that makes it easy for Australians to get jobs if they move themselves to go there.

Senator TROETH—Yes, I am quite sure that is so, Mr Lamb. I am also interested that you suggest the Latin American countries and the countries of the former Soviet Union as countries that might be suitable to extend the arrangements to. Did you choose those for any particular reason? That is on page 5.

Mr Lamb—There are very many people in Australia who have their own relationships and roots. I was not speaking flippantly about Ireland. It will look flippant; I will have to have a good look at the *Hansard*. There are so many human relationships between Australians and people in Ireland that that is why I think it ought to work. With the countries of the former Soviet Union and with the ones that we have nominated in South America, there are also plenty of relationships.

There are very many Australians of Chilean extraction, for example. There is a very close community of interest between Australia and Chile in lots of fields—we are both involved in the APEC region; there is a lot of Australian investment in Chile. There is a great deal of Chilean interest in Australia. The president was here last year. Chile stands out to me as a country of that kind.

Argentina is a country which has a direct air link to Australia. The Aerolineas Argentinas flies into Sydney and takes passengers back. Those kinds of countries appeal in that way and we have named them because they are not the ones that would immediately come to mind. But the links are strong and ought to be built on.

With the former Soviet Union it is often easy to forget that there are many different republics, not just the Russian federation. Most people in Australia, at our long distance from that part of the world, think that the former Soviet Union means Russia. But it also means lots of other countries—the Ukraine, for example; many Australians are of Ukrainian extraction. We should be using the scheme to help build those links.

There is a lot of Australian investment in countries like Kazakhstan.

In other words, Senator, I should come back to something I keep on hammering—and you have had it from me all too often, I think, in other forums—we are in the business of trying to do something that is good for Australia through this program.

Senator TROETH—Do you think the USA would be interested in a reciprocal agreement? I know that there is a student visa arrangement with the USA which allows students to go there for four months and work. Do you think they would be interested in a working holiday-maker visa of greater length?

Mr Lamb—Mr Heyward tells me that his understanding is that the United States is not at the moment interested in this. But what we will do is to persevere because I think there are many Australians who would like to be able to work in the United States and we know that there are many Americans who would want to be able to come here. I do not want to see us placed in a position which would see Americans able to come here under a university program and work without Australians being able to go back and do something similar at the other end, while at the same time we were denying other non-student Americans the opportunity to enrich themselves in Australia simply because they chose to study and work in a different order. So we will stay at work on that.

Senator TROETH—Have the United States ever given an official reason for their lack of interest in such a program?

Mr Heyward—I am not certain but, from memory, I think it relates to their concern about labour market forces in the United States. If you like, we can track that one down and get some more information for you.

CHAIR—Senator, can I take that up because perhaps we can put it to you slightly differently. The department of immigration says, in their submission, that the US has said no. They have suggested that the reason may be that it would be difficult politically for the USA to consider a WHM arrangement for Australians or, indeed, for any one country without considering it for a broad range of countries. I think that the immigration department is suggesting that it is difficult for the US because if they did have a bilateral arrangement with Australia they would feel that they had to have that arrangement with many other countries. With the size of the US and the problem they are already having with illegal migration, perhaps they feel this is just another problem they do not need. Would you agree with that? You obviously do not have any more information, but would that concur with what you understand?

Mr Heyward—Yes.

Mr Lamb—It does sound reasonable, yes.

Senator TROETH—Have either your posts or the office here in Canberra received complaints from Australian working holiday makers about arrangements in agreement countries or about their experiences in those countries?

Mr Lamb—I am not aware of any, but we will check with our consular people and if there is anything that we can report we will write back to Mr Lomp, if that suits you.

CHAIR—Just following up the Senator's question, you had a sheet of paper saying that the Japanese government has changed its arrangements for the WHM. All arrangements seem to be much more liberal than they have been. The amount of money that is supposedly required to go into Japan has been reduced. The restriction on 20 hours per week has been reduced; I suspect you would know as well as we do that that was never kept to anyway. The age has been increased from 18 to 30, so that again has been relaxed.

The only thing that they have clamped down on is that they have said that an applicant who has never attained one before cannot return to Japan on a working holiday visa. That now accords with Australia's rules because we are only allowed to do it once here. But I am certainly aware of a number of young Australians who do return to Japan on a number of occasions on the working holiday visa. Are you aware of that? Is that perceived as a problem or is that just incidental to the changes? Have you any idea?

Mr Lamb—I do not know. We will look at that. As I said before, in looking at the

language differences between the two countries you would expect that a Japanese person who was learning English and wanted to perfect English might well take a holiday in Australia and take another one in England or one in New Zealand; they would have a range of countries to choose from. If you are an Australian learning Japanese you really only have one country you can go to to work on your Japanese.

CHAIR—That's it, yes.

Mr Lamb—I do not know the answer to that. But I imagine it more likely that Australians would find that Japan would be a country they would need to go back to more often than the Japanese would to Australia.

CHAIR—Could you follow that up with the embassy to see if that has slipped in or if there is indeed a concern about the number of Australians that are returning to Japan, because I think that will place a restriction on a number of them who have been and who intend to go back? I think amongst our young Japanese students you will find some who will take the university vacation to go over for three months—take the working visa—come back and then plan to do that on a following university vacation. This restriction will prevent them from doing that. As you say, if they want to speak Japanese, Japan is the only country they can go to.

Mr Lamb—Without any basis for this, it would be interesting to look at a way of allowing a person to have a multiple visa with a total validity period of 12 months.

CHAIR—That could be a possibility, too.

Mr Lamb—You would actually be able to go back four times for three months or something. I do not know, but we will look at that and see what we can do. We would also want to make sure that we did not unnecessarily advantage any people involved in employment rort schemes in any other way.

CHAIR—Let me ask you about that. There is an organisation that is set up in Australia to take young Australians to Japan on a working holiday. They actually charge a fee for doing this and they guarantee to look after young Australians once they are there, although my understanding is that, certainly for some of them, they just plonk them in one hotel and they stay in that hotel for a whole year. Are you aware of this and have you had any complaints about it?

Mr Lamb—No, Madam Chair, I am not aware of that. Once again, I might say that sometimes we learn of things that are happening to Australians abroad through our consular branches in the department.

CHAIR—You have never heard of any complaints about that or any young Australians getting into trouble in Japan on this? That is actually a separate question. Have you had any information of any young Australians getting into trouble in Japan? I do not

necessarily mean serious trouble, but getting there and finding, in fact, their Japanese is not good enough to get jobs, that they are a bit disoriented and they just do not manage to click.

Mr Lamb—I would be amazed if that did not happen from time to time with individuals. It would be very human for that to be the case from time to time, but I certainly have not heard of anything that paints a picture that you could use to illustrate the scheme.

CHAIR—Following that up, one of the other points about the Australians going to Japan—and you are very eager for Australians to have that sort of experience overseas—is the possibility—and, again, I guess I know anecdotally that this happens—of young Australians going to a hotel, not necessarily in Tokyo, but up in the country somewhere, and finding that they are employed in the kitchens—which is fine—alongside eight or nine other Australians. They do not get the opportunity they thought they would have to actually improve their Japanese and get a knowledge of the Japanese culture because the Australians are there and they mix mainly with the Australians. I wondered if that had come past you at all.

Mr Lamb—No, but, again, I think that we are probably in the wrong occupation for this kind of point. You would probably hear that more easily from the people in the Department of Employment, Education, Training and Youth Affairs whose people might have contact with students who have travelled, or perhaps from others in the non-governmental community who have reported on it. I think that, in a way, there is a bit of ordinary marketplace acting there. People who run a business that is supposed to be taking Australians to Japan so they can improve their Japanese and end up plonking them in a kitchen alongside a whole lot of Australians ought to find that their reputation, as people in the marketplace, suffers pretty quickly.

CHAIR—You are probably right. I just want to go back to what we were discussing before—the opening up of obtaining visas. The situation at the moment is that countries with bilateral agreements can pick up their working holiday visa in posts all round the world. But in those countries where there is not a bilateral agreement, if their young people want to come and work, theoretically they have can do that as long as they prove reciprocal benefit, but they have to be in their own country. We discussed the possibility that they should be able to do that at posts all around the world. Would it lower the value of the reciprocity agreements if young people from non-reciprocal countries could pick up those visas more easily?

Mr Lamb—Again, I can speak from my own personal experience rather than in the departmental sense. I do not think that it would have a marked impact on the way negotiation would go in a formal sense.

In an informal sense, when I was posted in America at our embassy in Washington, some visas were given to some people who had been through an arduous and complicated process of trying to help the immigration officers with their inquiries and establish that there was benefit in the scheme. That had led to pressure back on to American congressmen to understand that Australia was the kind of country with which we ought to have a process that worked easily and speedily.

I think that the nature of the process probably helped get some people on side in America who otherwise might not have thought about it. I do not have a really clear answer for you. I do not think that I got the impression from anybody while I was there that by allowing some Americans in we had somehow devalued the reciprocals that we had done from other countries.

CHAIR—And, finally, on that point, if this were open to do that, would that put too much pressure on the posts, because the posts then would be given the responsibility of assessing the suitability of the applicant, and it has to show those benefits to the country and to the applicant? Presumably, if these applicants are travelling around they do not have that much documentation on them.

Mr Lamb—I think I would have to ask if you could put that question to the immigration department people when they come to you because they would know more about the nature of the work done in making those assessments by their people.

Mr Heyward—Perhaps we should add that, were an application to be made at a post where there was no officer from the Department of Immigration and Multicultural Affairs, it may put additional pressure on the Department of Foreign Affairs and Trade staff that were there. They would require the wherewithal to make the assessment; they would have to have the criteria.

CHAIR—So are you very dependent on DIMA for these sorts of things?

Mr Heyward—Sure.

Mr Lamb—Computers are making life a bit easier. There is a lot more information that is at people's fingertips, so to speak, now than was the case five years ago. It is a rapidly evolving world but there are always going to be strains.

Senator McKIERNAN—In that circumstance, for example, what about a person with a UK passport in Singapore who was applying to come here? Is there a DIMA person in the embassy in Singapore?

Mr Lamb—Yes.

Senator McKIERNAN—Give me a country close by that does not have an immigration department person.

Mr Lamb—Bali is a good example to look at because of the number of tourists and other people that you might expect to find in a place like Bali.

Senator McKIERNAN—Would it not require a greater degree of checking on the individual when they are not applying in their own country? There is an easier access to

information in their own country, I assume. But somebody applying in Bali might have a greater chance of being granted entry into Australia because we are not in the position to check. Secondly, if that checking is done by a foreign affairs officer rather than a DIMA officer, does that enhance the chances of a person who would not necessarily get in in the first place being allowed to come in?

Mr Lamb—On the latter point, I do not think so—I would hope not. I would not like to leave you with the impression that foreign affairs officers are easy to put things over and get in. The application would be received and would have to be, I presume, remitted back through a process so that people from the immigration department would see it anyway. The provision of the information would require the officer at the post to ask the right questions. That would be important. So long as the officer at the post knew what it was that the decision makers would need to have in answer to questions then those questions would be put.

The difficulty might be for a lot of people, if they were applying outside their country of nationality, that it would be hard to produce some of the material they would need to show who they exactly were as students. On the other hand, as in the illustration that I gave before, you now have a lot of people who are studying outside their country of nationality, their documents and records are all over the place. So I do not know that it makes all that much difference, actually. But the thing that you would find in those posts where there is not anybody from the Department of Immigration and Multicultural Affairs is that the familiarity with the issue would be very uneven.

Perhaps Bali, as a post where DIMA does not have anybody, is also a difficult example because they would be likely to get a reasonable number of applicants and have to develop some familiarity. If you took Alma-Ata in Kazakhstan, where I do not think there have been many applications lodged yet, you might find that there would be very few people with any familiarity with the issue, and they would refer to another post for information to help them ask questions before they could even carry out their task. If the program works well then more people will come to understand it, that will be great, and then there will be lots of familiarity.

Senator McKIERNAN—On the matter of reciprocity, there are many countries that require Australians to make application in Australia before they would entertain them, so it is not just Australia that is doing this.

Mr Lamb—I do not know the answer to that I am afraid, Senator.

Senator McKIERNAN—It was a comment and more for the record than anything else.

Senator TROETH—The Department of Immigration and Multicultural Affairs has suggested that consideration be given to abandoning the benefit criterion—that the entry of applicants aged between 18 and 25 from non-arrangement countries be of benefit to the applicant and Australia be eligible for the grant of a working holiday visa. Do you have any thoughts on the impact of the abolition of the benefit criterion and the widening of the age

range to 30 or 35?

Mr Lamb—No, I do not really have a firm view about that. I take the position that we want the scheme to work well for Australians and that Australians need to be able to come back to Australia, as my broken record says, enriched by the process and making a contribution to the strength and growth of their own country. If to achieve that we had to relax other criteria for people coming into Australia, I would not care. I am really mainly interested in the opportunities for Australians to go abroad.

But I do want to see benefit for Australia from the people who come in. I am not sure that it is valuable to go into a microscopic examination to try and work out benefit. I do recall from my time in America that it was dismally difficult to try and work out how you would assign points, even in your own mind, to what was beneficial or what was not. To that extent it is a pretty illusive concept—benefit to Australia from the people coming in—but I would like the people who do come in to go back to their own country happy to have been in Australia, proud of their experience and making their own country friendlier to Australia as they get up the ladder.

Senator TROETH—In that case, some of the comments that you have just made would probably apply to my next question. Your department submits that the grant of working holiday visas should normally be restricted to citizens of countries with reciprocal arrangements with Australia unless the mutual benefit is very clear. Why do you suggest such a restriction and what would comprise a clear mutual benefit?

Mr Lamb—We did not wish at the stage of writing our submission to tackle the question of the benefit criteria. The raising of it though makes it easier for us to express a wider view about this. I think myself that benefit to Australia can be obtained on more than just an individual microscopic examination. If we were to conclude that country X could not allow reciprocity to Australians because they had completely different conditions that governed the work of youth in their country—and there are such countries—we might decide that it was to our benefit to work with people from that country without a reciprocal, or we might decide that we want to do things on a completely informal basis, or whatever.

We need to keep our options open to do whatever is best and, as I said earlier, and I have to say this again, I would like to see the Australian government working in the most transparent way possible so that as the scheme evolved and developed that you knew, in parliament, how it was moving, as you do now, and that those who have got a community concern or interest in the way it develops also would know how it was working.

Senator TROETH—Does your department have any concerns about the security and health checking procedures applied to working holiday visa applicants?

Mr Lamb—No, they do not arise as points for our portfolio.

Senator TROETH—Thank you.

Ms GAMBARO—Just as a general comment, Mr Lamb, you were speaking before about extending payments to countries like South America, Chile and Argentina. As I said, this is just a general comment, but I have noticed a huge increase in the immigration inquiries that we are having in my electorate of Petrie from Argentina, so I thought I might pass that on to you. It has been quite substantial lately, so I was quite interested to hear that from you.

Mr Lamb—I must, perhaps at another time, ask what sort of inquiries they are and what you think the causes of them were.

Ms GAMBARO—I would be happy to make that available to you, Mr Lamb.

Mr Lamb—In fact, the next time in Petrie we should meet some such people.

Ms GAMBARO—Thanks, Mr Lamb.

CHAIR—Thank you very much for appearing before us this morning. If we have any more questions, the secretary will write to you. Thank you for your submission. You wanted to table those documents, Ms Spry?

Ms Spry—Yes.

Mr Lamb—Thank you. We are at your disposal if you have any other questions, or if there is anything else you would like to know, please do not hesitate to ask. If there is anything that you would like to supplement the information that we have already provided from posts, please let us know. I believe that you have messages which we have obtained from a number of posts, have you not? If there is anything else that you would like to have as a supplement to that about interests, attitudes, or views in a particular country, please do not hesitate to tell us. We will get it for you as quickly as we can.

CHAIR—Let me ask you another question: how are you going to let young Australians know that the Japanese regulations have changed?

Mr Heyward—We sent that circular to the Department of Immigration and Multicultural Affairs.

CHAIR—Let me repeat the question: how are you going to let young Australians know that the rules have been changed?

Mr Lamb—As a department they have very good connections with the youth of Australia and they will also, in the context that Ms Spry referred to before, through DEETYA, look at ways of making sure that out there in the universities and other places that people do know that.

CHAIR—They are behind you now and so they will be able to answer for themselves

exactly how they are going to achieve this. Thank you very much.

[9.59 a.m.]

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SULLIVAN, Mr Mark Anthony, Deputy Secretary, Department of Immigration and Multicultural Affairs, Chan Street, Belconnen, Australian Capital Territory 2616

CHAIR—Welcome. I am pleased to call representatives of the Department of Immigration and Multicultural Affairs. In doing so, may I officially thank the department for lending us Chris Dorrian as an adviser. Chris is a great asset to the committee. Thank you very much for your submission to the inquiry today. It is quite detailed. I would invite you, if you wish, to make a short opening statement. I do not know if you want to add to your submission in any way.

Mr Sullivan—Thank you. We are very keen to work with the committee and provide whatever information we can. We have an interim response to your request of 20 November to Helen Williams for some more data on the working holiday maker scheme. I stress that it is an interim response because a lot of the data is still coming in. We thought that we would get you what we could. We also have the result of a request for some further information on the employer awareness campaign and for some of the material that goes to employers. We will certainly make that available to the committee.

CHAIR—Would you like that tabled?

Mr Sullivan—Yes, if it could.

CHAIR—As the DFAT representatives have just left, let me start with what came up at the end of their session because I think you were all listening. I presume that you are also aware that Japan has changed its working holiday maker visa requirements. While most of those visa requirements have become more liberal, one change is that young working holiday makers cannot return to Japan. I presume it is a change because I know that they had been

returning. Now they can only go once on that working holiday visa.

Do you see this as a restriction on young Australians? I realise that we place the same restriction on the Japanese. However, it is fairly obvious that if you are Japanese, and you want to improve your English, you can visit a huge range of countries to improve it whereas, if you are a young Australian and you want to improve your Japanese, there are not many countries you can go to. You basically have to go to Japan. So if you have been there once before on a working holiday visa and you want to return to pick up your language skills even further, this change will actually stop that from happening.

Firstly, do you have any concerns about that matter? Secondly, would you address the question we raised with DFAT of how you are actually going to let young Australians know of the change?

Mr Sullivan—Obviously, it is a restriction. I do not think it is unreasonable to allow one person to have a single working holiday in Japan. There is plenty of access to Japan under separate visa types which include as a student, as a tourist and, in some conditions, as a temporary resident. It is still a restriction but I do not think we would regard it as an onerous one.

I always like following my colleagues from the Department of Foreign Affairs and Trade because I would take over their consular responsibilities if I could. Yes, we would deal with Australians who were to approach the Department of Immigration and Multicultural Affairs about the working holiday makers scheme. We would provide whatever information we could but, honestly, young Australians would get this information from the Japanese embassy if they sought it anywhere. If they sought it from us, we would give it to them. However, Australian citizens constitute a constituency which is not really within our domain under the administrative arrangements that set up our place.

We are generally about non-citizens and the entry of non-citizens to Australia, and about refugees. The only time we really do have a lot to do with Australian citizens is when granting citizenship; when administering some of our settlement programs, which are based on migrants; and when checking the documents of Australians who re-enter their country, but that is just to confirm that they are Australian citizens.

We do not have a campaign or a role that actually goes out looking to provide young Australians with details of changes. Certainly, if you go to Foreign Affairs and go to the consular area and seek travel advisories and other things about going to Japan, you will get it. The other thing is that we contribute through an international provision of material to a system called TIM and TIMATIC which is travel information manuals and is actually maintained by the airlines. It certainly keeps people up to date with what all the visa provisions are for various countries. So, from your travel agent, you can also get data as to what is there.

CHAIR—Can I put it to you that this does leave these young people in a bit of a limbo about where they get their information from, because DFAT handed the ball to you and

you have happily handed it back somewhere else—perhaps to the airlines.

I put to you the situation of young Australians who wish to improve their Japanese learning skills and who may be studying Japanese along with other subjects at university. They plan to take a working holiday visa on each one of the university vacations—which will be three or four university vacations—and they have planned that as a way of improving their Japanese skills to be of assistance to Australia in trade or in some other area.

Having planned that, and having perhaps had one working holiday of three months after their first university vacation in Japan, they are planning their next three university vacations in Japan when they suddenly find, applying in the next year, that they cannot get this. Yet they have predicated a lot of their study on this. Don't you see that this is possibly a problem for them, whereas, in fact, they had not, in the first instance, stayed for 12 months anyway, they had just done three months during their university vacation?

Mr Sullivan—I am not denying the problem of the issue. It is just that the client load does not come near us. An Australian travelling abroad does a number of things: they go and get a passport—

CHAIR—I understand that. I am just asking if you have any idea of how we can get this information to them because you do not want it and DFAT does not seem to want to get them information—so how do we get the information to them?

Mr Sullivan—As I say there are two areas: one is the Japanese authorities—the Japanese embassy which deals with the Australians travelling abroad. As I understand it, the Japanese give out quite a good deal of information.

CHAIR—I understand that, but right now they are not going. There has been a change and by the time they get back to the Japanese embassy for their visa it is going to be too late. Somehow we need to tell people that there has been a change in those requirements. What I am getting at is that, for all those kids out there, there is no way they are going to find out there is a change in the requirements until they actually front up to the Japanese embassy, in which case it is too late.

Mr Sullivan—That is right.

CHAIR—What about the ones that decide this year that instead of going on 27 December they are going to go on 2 January. If they go on 27 December they are fine, but if they go on 2 January they will be told, 'Sorry, you have been once before, you cannot get your visa.'

Mr Sullivan—I think it is the scope of government services that are provided to people. Foreign Affairs provides particularly good advice in terms of advices when not to go to countries because of war or strife. To be the provider of advice to the Australian community on the requirements for entering other countries is a very, very broad task,

particularly if it was regarded as being free advice. To provide it would cost a lot of money and there would be a requirement to keep very much on top of it. I do not think there is an Australian government agency which is responsible. Really, it falls on the individual to be aware and to go to the relevant government about entry requirements.

It is like a country which changes its visa requirements. Visa requirements around this world change every day. What governments invest in is keeping the travel industry aware of visa requirements. The travel industry is aware of visa requirements. It is really necessary that someone goes to a travel professional or to the embassy of the country that they are thinking of going to, or looks at the various publications that are available through student unions and all sorts of things as to what are the opportunities to travel, study and work abroad.

CHAIR—Senator Tierney, did you want to pick up there, to go back to some of the more basic issues that I think that we want to have a look at?

Senator TIERNEY—What research has your department undertaken in relation to the working holiday maker scheme?

Mr Sullivan—The department partly sponsored the National Population Council's report in 1990 on the working holiday maker schemes, and, obviously, the 1995 report of the BIMPR. The BIMPR was part of this department and so we funded and sponsored the 1995 report into the working holiday maker scheme.

Senator TIERNEY—Do you think you have enough information to make decisions relating to what is happening out in regional Australia? I ask this question because when we talked to DEETYA they were not aware of what was happening in particular regions, particularly northern Queensland. I am going to get onto that in a moment.

Does your research and information base give you sufficient information on what is occurring in relation to working holiday making schemes in areas like North Queensland?

Mr Sullivan—No, the decision by government to have a working holiday maker scheme which offers the people who access that scheme access to the Australian labour market is one which is based on the national labour market and one that obviously does not pay direct attention to regional labour market issues. DEETYA, in terms of its advice to government on an overall labour market impact of a working holiday maker scheme, and other commentators not included in the ACTU commentary submission to yourself on this scheme, generally look at the national labour market effect rather than the regional. There probably has even been more focus on sectoral influences than regional labour market impact.

Senator TIERNEY—But there can be very peculiar problems in terms of the scheme perhaps falling down in particular regions. I am a bit reminded of the *Yes, Minister* episode where Jim says to Sir Humphrey, 'Aren't there transport problems outside London?', and he replies, 'Well, there probably are but we do not know about those.' I think we are picking up a similar thing here. I will just come back to North Queensland and the particular problems we

found up there and seek your comment on that.

There were allegations being made by a number of witnesses that certain tour companies employed Japanese holiday-makers in preference to local Australians who had experience of Japanese. There is one case of a fellow who was university trained in Japanese and who had taught for two years in Japan. When he applied for a job with one of these Japanese tour companies they told him his English was not good enough. They were putting ads in the paper; they were paying lip service. But it is very difficult for Australians to break into it.

Is this not a bit of an abuse of the scheme when it is bringing in people to work from Japan that are really taking the jobs that Australians could have, particularly when we are saying to kids at school, 'Learn Japanese, you can get these sorts of jobs.' And if they go up there they find they do not exist because of this sort of practice. Is your department aware of that problem and do you have any plan to do anything about it?

Mr Sullivan—We are certainly aware of the problem. At its base, we would say, first, that the working holiday maker scheme has never been designed as a labour market instrument. It is not one of our schemes designed to allow Australian industry to meet skilled labour shortages or other labour shortages. It is a scheme which offers to the visa holder the right to work to enable them to have a long-term holiday in Australia.

That creates a concern in us if any sector starts relying upon the working holiday maker scheme to meet a specific labour market need. Our preference, if someone has a requirement in a specific labour market, is that they approach government and use one of the targeted schemes to alleviate a shortage in a labour market—such as a labour agreement or temporary residence scheme. This then allows us to actually analyse whether or not the labour market shortage is there, and whether it needs a temporary resident solution or not. If that need is there, it is our preference that it has the concurrence of the employers, the unions and the government, under, say, a labour market agreement, defining what sort of skill levels are required and having acceptance that the labour market situation requires that sort of an input.

We are well aware of the North Queensland situation, and the tour guide situation. For years, we have been pressing parties to enter into a more appropriate targeted labour market arrangement than the working holiday makers scheme. Going back to the base again, the working holiday makers scheme is not a labour market device. It is not like our temporary business entry rules, our long-term temporary entry rules, our labour market agreements or our employer nomination schemes. They are targeted labour market devices. This one is based far more on social impact, cultural impact and benefit to Australia. It has, as a minor objective, that it is useful in meeting labour market shortages. If there is a long-term and specific labour market shortage, our recommendation to that industry has been for some time: 'Use the appropriate mechanism.'

Senator TIERNEY—You say that you have been aware of it for years and that you are pressing for change, but it seemed pretty obvious to us, listening to the evidence, that

these companies are thumbing their nose at the government and bringing people in because that is their preference. They are taking work away that Australians could do. I ask again, what policy process is in train to fix this problem?

Mr Sullivan—The possibilities are obviously to restrict the access of working holiday makers to employment. You can do that by sector, by saying, 'You can work in an industry, other than certain industries.' That would appear to be very difficult. You can do it by employer, but we have also found it extremely difficult to present drafting instructions which do not prevent someone working with the Woolworths Corporation in Cairns, Sydney, Melbourne, Adelaide and Perth, for instance. How do you stop knocking that one off in attempting, as you would have to do, to cast a fairly wide net in respect of related companies? Certainly, we do not see particular abuse, even in North Queensland, going by the letter of the law as it stands now.

Senator TIERNEY—Let us take one of those: the requirement for three months. We have heard evidence that what often happens is that the employer re-employs someone in an associated company, so that it is on a different set of books.

Mr Sullivan—I will separate here the spirit of the scheme and the law. You say, 'The employer employs them again.' The employer is not the same employer.

Senator TIERNEY—In reality it is.

Mr Sullivan—I know. I am talking about the law and about being able to effect something. Certainly, if that employer is one company, and that employer is another company, and that employer is another company, that is not a breach of the current scheme. The problem we have looked at, in terms of responding to issues like this, is how you could define a restriction regarding related companies, when, for instance, a number of working holiday makers work for some of the very large national companies, including companies in the horticultural industry. You can do a very good working holiday working for Edgells, for instance, without any suggestion of abuse of the scheme. If you want to follow the Edgells picking line, you can, over the period of a year, move from northern Australia to southern Australia, having a good holiday without abusing the scheme.

CHAIR—Why not just put a regional restriction in?

Mr Sullivan—A regional restriction?

CHAIR—Yes.

Mr Sullivan—There are different definitions of regions.

CHAIR—Surely that could not be too difficult. Sorry, Senator, it just seemed to be an obvious question.

Mr Sullivan—I will be very honest about this. We passed our difficulty on this issue directly to you. We certainly said that we wanted to respond to what the suggestions of abuse were through attempting to eliminate that abuse. When you get into it, you have got to look at whether you are going to regard Cairns and Townsville as one region or separate regions—or even whether you are going to regard Port Douglas and Cairns as being in the same region or separate regions.

Senator TIERNEY—It is pretty easy to define Mildura and Cairns as being in different regions.

Mr Sullivan—Yes. If the recommendation is that you want to accept that sort of thing, then is Sydney a region? We believe that the basic solution to the tour guide issue is not really in mucking around with the working holiday maker scheme. Would you, as a regional approach, ban someone from working at the Holiday Inn at Coogee as No. 1, a market garden in Sydney as No. 2 and as a retailer as No. 3 in a year-long holiday based around the Sydney region? Is that an abuse of the working holiday maker scheme? I would say that it is not.

But if we put a regional approach in and say that you cannot work only in one region and that you must have multi-regional holidays, the second issue obviously has got to be the monitoring of it—and we are not internal monitors. The government of Australia is not an internal monitor. We do not go looking that closely at what people are doing but we will have to, if we come up with a new scheme, be able to address the compliance issues.

Senator TIERNEY—Surely it can be set up in a way that is more effective in getting this condition met. It should not be beyond the wit of government to set up the regulation in such a way that would prohibit someone in the Cairns area from working in a tour company and then also in an associated tour company that is all part of the one system. You should set up your regulations to be able to identify that practice—if you wanted to check compliance.

Mr Sullivan—I would say at the moment that it is not as easy as all that. We have taken this as far as wanting the draft regulations to do exactly that.

Senator TIERNEY—You couldn't set it up to say, showing what work in an associated company for one last question?

Mr Sullivan—In a particular region?

Senator TIERNEY—In a particular region. Could it be set up that way?

Mr Sullivan—That puts two layers. As I say, you have got to be able to specify associated companies within region and within association, and how close is the association? These are not tightly knit—to a degree you join some of the Japanese tour umbrella groups and the linkage in terms of associated companies, is very, very loose. The evidence to us is that it would require an extremely broad definition of associated companies, which could even get into supplier-purchaser relationships. I think there is another *Yes, Minister* thing, where we

design something which no-one can access. I think it was a hospital on *Yes, Minister* but for us it would be a working holiday maker scheme which technically no-one could use. It may be a bureaucrat's dream.

Senator TIERNEY—But surely you could set it up in such a way that they cannot work with an associated company within a region like Cairns? If they move on perhaps to Sydney or something like that, it would be of less concern. The main concern is that they come to Cairns, they work three months, they move to the associated company and keep the same job for another three months and so on. It is that specific abuse that I think is the crux of the problem.

Mr Sullivan—Then the solution to the problem is to get the tour guides into something that is not the working holiday maker scheme. That is the answer. We can redesign any way you like. We can go back and say to draftspersons, 'We're trying to redesign the working holiday maker scheme to satisfy the issue of the problem with tour guides in northern Queensland. Come up with something which doesn't restrict the 94 or 90 per cent of the scheme which we are more than happy with, but just targets this.' One of our concerns is that using the working holiday maker scheme to attract tour guides and specialist assistance sets no skill level on them.

You are right: an employer can decide that a person coming off the street is a tour guide. Again, that is unsatisfactory. Some of the evidence that we have seen is that what some of tour guides would say does not reflect the professionalism that normally comes with a specialist tour guide. If you are to be a tour guide in Japan, you need several years of training as a tour guide to be accepted. Using the working holiday maker scheme allows you to nominate any person as a tour guide. We would like to get some of the skills issues for tour guides addressed. Again, it is through an appropriate mechanism; and the working holiday maker scheme is not that.

CHAIR—I take your point, and it comes back to the fact, as you quite rightly said, that we are one of the few countries that do not require any training for tour guides.

Mr Sullivan—We do have requirements. If someone approached us and said, 'We want to employ a specialist tour guide and we can't find one,' we would insist that the tour guide they brought in under an employer nomination scheme or a temporary entry arrangement was skilled.

CHAIR—That was not my point. My point was that there are no set qualifications to be a tour guide here. You can step into a bus and become a tour guide, and that allows these young working holiday makers who have absolutely no knowledge of Australia to come in and work in that capacity—which is to the detriment of our tourist industry, especially in relation to the Japanese, where it does seem to be taken on.

I am not sure that I like your answer, although it is one that Senator McKiernan has often suggested, that there are more appropriate ways of coming into the country. We were

certainly given evidence in Cairns from the CES of the number of people actually coming in on the working holiday visa and then transferring to the employer sponsored visa, on the basis of their qualifications. CES made it very clear to us that they were in no doubt at all that these were really ridiculous requests and that they simply excluded anybody else from filling the positions.

CES had frankly given up questioning them. In the end, they just signed them. Although the specifications were narrowed down, they would always come back and say, when CES suggested that young Australians could fill the bill just as well, 'Ah, yes, but they don't have this particular cultural understanding; or their Japanese might be good but their cultural stuff is not as good.' There is a whole problem relating to that, and allowing them to come in on that other visa is perhaps not the answer.

Mr Sullivan—It sounds like a problem with CES. That is their responsibility.

CHAIR—No. The problem was actually, they found, with Immigration: CES were knocking it back and, every time they knocked it back and they went to Immigration, they were being ignored. In the end, CES simply gave up. They said, 'Immigration isn't interested. Why are we wasting all our time to try and do the right thing when we are not getting any backup from Immigration?' That was certainly my impression, and I suspect it was yours also, Senator Tierney.

Senator TIERNEY—Yes, certainly.

CHAIR—From what you said before, I am getting the terrible idea that you are saying, 'Okay, it is too difficult to make any real definition here of how we are going to put any rules in place with regard to the working holiday maker. It is just too hard, so let's not.' Your second point was, 'We do not police it anyway, so why bother?'

Mr Sullivan—No, I did not say that at all. I said that, in designing any new scheme, you must take account of the need to monitor compliance. I never said that we never police it. What I go back to is this. If you wanted to design a working holiday maker scheme to fit an industry requirement, or else to exclude it on the basis of a single industry in a single region, we could design one. I said that I have heard, in submissions and in calls from industry, simplistic ideas of how to solve the problems in the North Queensland tour guide industry.

I am pointing out is that it is not as simple as saying, 'Let's ban the employment of working holiday makers in associated companies.' Firstly, you have to get into commercial law and define 'associated companies' and get that definition to the breadth that these companies are associated. If you go through these companies' shareholdings and work out how you have got to define them as associated, as I say, you start getting into supplier relationships as being associated, you start getting into customer relationships being associated, and you crack a far bigger nut than the one you are seeking to crack. That is all I have wanted to say.

I have also said that, when you define a scheme, you must take account of compliance.

Rather than saying, 'Of course we don't do anything about it', it is the fact that if you design a scheme you have to be able to design compliance points. Compliance points in Australia are difficult. Once someone is in this country and moving around internally in the country, no-one has wanted to give—and I support it fully—the powers to very many agencies in this country to be able to walk in off the street on a whim and say, 'I'm here to check this.' We generally can only move when we have reasonable suspicion that something wrong is occurring. I simply want those compliance points allowed for in any possible redesigned scheme.

CHAIR—You suggest that you have actually tried to find way of solving this problem, and that you have got into technicalities with how to define corporations and everything else. Do you have any best suggestion as to what might be the least complicated wording for how you could do this? Or have you in fact decided to take the other alternative, which is to suggest to people that they use another scheme? And if they do not take up the suggestion, are we then going to continue to see working holiday makers used in North Queensland as tourist guides—thereby shutting out young Australians from this industry?

Mr Sullivan—No; we do not give up like that. What we have put is the fact that we have had suggestions and we have heard suggestions regarding the problems, and the minister has in fact agreed to attempt to tighten the condition. We have gone to the point of requesting legal drafting. That work was stopped on the basis of the drafters telling us that the definition of 'affiliates and subsidiaries' would have significant unintended consequences for the scheme. We are now looking at whether we can address the issue through ministerial direction. That is possible.

We have certainly put the issue to your committee to see whether there is any suggestion from the committee as to how best to address it. Certainly, the major thing that we continue with is attempting through the employer awareness campaign to get employers themselves to address it voluntarily. So we will continue. At the moment, we will possibly attempt to address this through ministerial directions, if someone cannot come up with a better idea. But we are not giving up; we are not giving it away.

CHAIR—Can you explain what the nature of those ministerial directions would be, or how you envisage they would be at the moment?

Mr Dear—Directions are made under the Migration Act and they give policy guidance to decision makers on how to view requests for this and the other. The most significant policy directions in place at the moment are those addressing the visit visa. They do not have the force of law; however, decision makers are bound under the act to have regard to what the minister has said in those directions, in determining whether a condition has been met or a criterion for a visa has been met.

The matter for the work condition is really coming up with something that broadly addresses the spirit of the work condition—the facility to work—and also, as Mr Sullivan said, our ability to monitor and to enforce that. Any decision to cancel a visa because a condition has been breached is merit reviewable before the Immigration Review Tribunal. While they are

bound in the same way that other decision makers are, they have, in many senses, a broader view of the merits of the case. So our decision to cancel because we believe a breach has occurred is not necessarily upheld in other fora.

CHAIR—I am not sure if I am actually any the wiser after that.

Mr Dear—The ministerial direction is a broad statement of the government.

CHAIR—What form of words would we be envisaging here? A sort of 'Thou shalt not', like one of the Ten Commandments, or what?

Mr Dear—No. It would be more along the lines of probably a preamble stating what the aims of the working holiday maker scheme are: to provide an opportunity to work and to travel, and within this context it is to be expected that a person on a working holiday maker visa would not work in breach of the work condition. We can go to the question of location, but as Mr Sullivan pointed out, that becomes difficult.

It was suggested in one sense that we look at government or local shires and then we come up with the problem of Brisbane which covers a very large area. So, we do have to work within the problems of legal definition and the interpretation of region and one employer and affiliate and subsidiary. But I think that we should be able to work towards something which addresses the spirit of what we want, noting that at the end of the day the policy direction does not have the force of law and can do no more than require a decision maker to have regard to the wishes of the government of the day and the minister.

Ms GAMBARO—Mr Sullivan, I understand what you are saying about subsidiaries, having once worked in the hotel industry. It is a bit difficult to apply that ruling. Can we not look at the administration of the scheme if a person works for an employer for the three months—I do not understand that procedure—is there some way that a stamp or a form could be put into the department? How does it work? Could that be policed a lot? Could more monitoring occur there that would alleviate some of these problems that we have been talking about?

Mr Sullivan—You can always design a scheme which has more bureaucracy tuned into it. I could imagine a scheme which allowed you only a three-month stay and then you could come and see us again and as long as we were satisfied that your next piece of employment was a reasonable piece of next employment, we could approve another three-month stay. Then, you could come back again.

But what you have got to balance there is whether you want that level of interaction with the department. It would certainly bring cost to the scheme because, certainly, we would be looking at the persons who had to come and see us to pay for it. But then you have got to see, if you do not do that and you redesign the scheme basically on that basis, whether you can step another way. We would think that one was, perhaps, too intrusive for what is a very lucrative market. It may, in fact, turn it off.

But it would make the compliance points a whole lot easier. We talked about compliance points. We could say, yes, once three months were up, the person is not only not supposed to be working for that employer again, but he or she would actually be an unlawful non-citizen if they had not come and seen us again in the 12 months. But more and more, of course, we are trying to allow people into the country on the basis of a first approach to us for the duration of their intended stay. It is just a matter of whether you want to recommend clamping down and making this scheme more intrusive in terms of a requirement to have them come and visit us more often.

Ms GAMBARO—Do we put in another category? Do we make it work employer sponsored, or decide that, perhaps, it should come under another scheme. There is a problem with that type of scheme, as well. I do not want to single out Japanese companies, but quite a number of them do bring people out in the guise that they are all sushi chefs, and they are executives and accountants. That is a very widespread practice. Do you look at a particular company and say, 'They brought in 100 sushi chefs this year. There is something a bit strange here,' particularly, if they are in the travel industry. Do you have any monitors in the department, or do you have any ways of checking if they are continually bringing people in under a particular category all the time?

Mr Brookbanks—The department introduced the new sponsorship system called STEPS. This was implemented in August specifically for determining business entry. The system actually monitors all sponsorships across all categories including spouse sponsorships.

In the business part of the STEPS system, we are monitoring every sponsor and linking that sponsorship with the visa given at overseas posts. We can check which companies, which industries, which regions, which occupations are coming in and how long people are staying. It gives us a very precise handle on exactly who is sponsoring and what is happening, company by company.

The way that the monitoring works is that if the numbers and the distribution between companies and industries seems to be consistent with the DEETYA analysis of what is going on in the labour market, then we will not intervene. But we will intervene very quickly if a particular company, industry or occupation shows up at a level that is inconsistent with the DEETYA analysis of the labour market.

Ms GAMBARO—Do companies bring people in on employer nominated schemes, such as the one you are referring to, under one category and then shift them off to tour guide operations? Do you have any knowledge of that? This is what I have heard in the marketplace. They come in under a particular scheme—they might be employer nominated under one category—and then they work in another. Does that occur quite a lot?

Mr Brookbanks—Generally, we encourage employers to bring in the person in the appropriate category for the need. If it is a permanent need, we encourage employers in the first instance to bring that person in as a migrant. Circumstances do change and it is not

uncommon for employers to bring in workers, say, on a short-term temporary entry visa and then circumstances change and the employer re-sponsors that person for long-stay temporary entry or even for permanent entry. It is very difficult for employers often to work out what their needs are. But, generally, we encourage the employer to work out what their need is before the visa is issued at the overseas post.

Ms GAMBARO—Again, I am going back to—

CHAIR—Please remember now that we are on the working holiday-maker visa and not move too far astray on the employee nomination issue.

Ms GAMBARO—Basically, you have outlined that this would cause more bureaucracy if you monitored it more carefully.

Mr Sullivan—What I described was the ultimate monitoring, and that was limiting it by duration of stay and then coming in and having to get the next portion of the visa. That would require a lot of administration.

Senator McKIERNAN—The working holiday-maker program has many advantages as we found out as we traversed the eastern part of Australia during the course of this inquiry. I have formed the impression that there are some who see the working holiday-maker program as not so much a holiday, vocation or a tourist type program, they see it as a labour market program. There are people who, in making the application to come to Australia, do it for reasons of work and the three-month period is irrelevant to them. They are not interested in travelling. They are the vibes that I have picked up during the course of the inquiry that work for many of the people who are arriving here is not incidental to the program. It is primary. Can you counter the impressions that I have formed so far?

Mr Sullivan—I think there is a broad range of intent when people apply to come on the working holiday-maker scheme. The things that are attractive about the working holiday-maker scheme are its long stay; you are allowed to stay in Australia for up to 12 months. It does give you generous work permission. At one end of the scale, you see people who enter the country on a working holiday-maker scheme with no intention to work. The attractive side of the working holiday-maker visa to them is the 12-month stay. They want a long holiday in Australia.

At the other end, I think there are the people that you are describing—those who say, 'This is a 12-month work visa for Australia; I'll take it.' Their major motivation is work. In the middle, I think you have the bulk of the working holiday-makers. They see the opportunity to visit Australia for 12 months as very appealing. The sorts of funds that you need to have an extended holiday in Australia are just beyond the reach of those people. Therefore, the work rights in being able to pick up short-term work as they travel are attractive. I think they make up the bulk.

At one end, you have people who are just not interested in working under a working

holiday-maker visa at all; they are just interested in the duration. At the other end, and I agree with you, there are people who use the working holiday-maker scheme purely as an employment mechanism in Australia, be that individual applicants or be that people who encourage applicants to enter Australia for the purpose of work.

Senator McKIERNAN—You said in the submission that the department has investigated some of the complaints, particularly the North Queensland complaints that have been made in previous years, and found that some of the allegations that were made were accurate and that the program was being rorted. You suggested in the submission then that that matter was to be addressed by regulations in November of this year. That has just passed. Has that happened? I have not chased it through and I should have done.

Mr Sullivan—When we first addressed the committee, we certainly were in the process of putting in place the sorts of regulations which would attempt to find out the people who were working for associated companies. The minister had agreed that that abuse of the scheme should be countered through regulation that stated that a working holiday-maker may not work with associated companies. Since putting in the submission, we have had the advice from the parliamentary drafting people saying that that would be impossible to achieve without significant unintended consequence.

We are now moving, as we said before, to the possible use of ministerial directions. Through a ministerial direction, we could instruct our decision makers to take account of the intention to work for associated companies at the visa application stage. We could use the benefit criteria or maybe the employment criteria as a basis for rejecting those applications.

Certainly, some of the operators who are using the working holiday-maker scheme as a provider of labour resources take great account of the technicality of our law. A number of our investigations revealed technical compliance. Whatever we use, I am sure that they will become technically compliant with it.

Senator McKIERNAN—In terms of compliance, when a complaint was made on the North Queensland situation, investigations took place. We asked some people when we were in Cairns a couple of weeks ago when they had last seen people from Immigration and they had not seen them for a while. Has the compliance and enforcement section of the department been cut back? The overview I have formed through the inquiry is that many people see the backpacker market—of which working holiday-makers take up 15 per cent—as everybody having the right to work. That was the impression that some of them were certainly giving to me as a member of the committee. What emphasis does the department put on examining, from a compliance point of view, people in the working holiday-maker program following the conditions of their visa?

Mr Sullivan—Every major employer in North Queensland has had more than one opportunity to participate with the department in understanding what work rights attach to what visas, particularly where no work rights attach to visas. We could provide from our North Queensland office just who took that up because, as I understand it, it was a very large

take up, particularly in the hospitality industries. The opportunity has been there and we have talked to plenty of them.

As I said before, in terms of compliance of the existing scheme, we cannot work without the cooperation of the employers. If an employer is happy with us coming into their place of employment and reviewing their employment practice, that is fine. If they are not happy with us going in there, the only reason we can enter an employer's premises and do something is if we believe, or if we have reasonable suspicion, that there is an unlawful non-citizen there. So, if you want to keep the department out, it is not impossible. I will be instructing no officer of this department to put themselves at risk in respect of a trespass or an unlawful act.

CHAIR—This states that there is no restriction or no penalty for employers at all for violating the guidelines. So, what happens when you have got an employer who quite blatantly disregards the guidelines?

Mr Sullivan—Nothing. There are no employer sanctions in this country on employers who employ unlawful non-citizens, persons who are breaching their visa conditions. All sanctions are against the individual, unless you move into possible conspiracies and crimes acts—things which are difficult to prove.

CHAIR—In your knowledge, do we have any employers who do this, who just blatantly disregard the guidelines because they know that nothing is going to come back to hurt them?

Mr Sullivan—I would not call it knowledge, but I would say definitely that there are. There are certainly employers in this country who do that.

CHAIR—I take your point that policing is difficult and you have to have good evidence before you go in. Surely, if there was a threat that were they to be revealed as breaking the guidelines, they would be up for a monetary fine or penalty, then those who do it would be less inclined to do it because nobody likes the threat of losing a couple of thousand dollars?

Mr Sullivan—At the moment, the government policy has been a voluntary compliance one through the employer awareness campaign. At the time of the employer awareness campaign, the then government was considering employer sanctions. Two of the strongest arguments against employer sanctions that employers put were that employees, despite having no work rights in the past, have presented, firstly, with a tax file number. Our taxation legislation does not look at whether or not you are lawful or unlawful or what your visa conditions are. If you are earning income, you should pay tax, and they will give a tax file number to anybody. Secondly, we had a practice which was that the Commonwealth Employment Service also did not take into account the work rights of an individual in referring people for employment. So you had a person appearing with a government provided tax file number referred by the government employment agency and then saying to an

employer, 'If you employ them, we will fine you.'

I think that was a pretty compelling reason for us to move down the voluntary compliance thing. The voluntary compliance path, in terms of the employer awareness campaign, has been successful. Voluntary compliance is generally successful with responsible employers. Responsible people generally respond well to voluntary compliance. At the edge of it, you will have people who will focus on the word voluntary and say, 'If I don't do it, what happens to me?' In respect of work rights, the answer is, 'Nothing happens to you.' What happens to the person who is working for you is that they may find they have a visa cancelled. The worst that can happen to you is that you may lose your employees at a bad time. Our department is littered with stories of taking cooks out of places at about 8 o'clock at night.

CHAIR—How many working holiday-maker visas have been cancelled? We have asked for that information but I am not sure if we have it yet. Do you know how many working holiday visas have been cancelled in the last year because of non-compliance?

Mr Sullivan—Without knowing the number I would say not many.

CHAIR—So it could be zero?

Mr Sullivan—I doubt it would be zero, but I would not think it was a lot more.

CHAIR—We are looking at very small numbers?

Mr Sullivan—My guess is that it is very small numbers, but I can check on that.

CHAIR—From what you have said that would make sense. What we are aware of is that there is a certain disregard for the rules, that there are young working holiday-makers who are definitely staying much longer than three months and up to a year in certain areas, that they do work with the same employer, yet nobody is actually being penalised for doing this. So I get back to my original point, that we really do seem to be having regulations for those that want to comply with them. Because word of mouth is so good in this industry anybody who does not want to comply with them simply does not. I have always been curious about why we have rules if there is no way of making sure that they are kept, so people happily disregard them at will. But we have been through that, unless you particularly want to make another comment on it.

Mr Sullivan—I would just say again that I do not think there is a lot of evidence that working holiday-makers stay with the one employer for up to 12 months. There is a lot of evidence that working holiday-makers in a particular sector—the tour guide sector—and in a particular region—north Queensland—work for associated companies for up to 12 months. I say again that while I agree fully that that is outside the spirit of the existing working holiday-maker scheme I also must say that it is legal under the existing scheme.

CHAIR—All right. I have talked to some people there, both within the committee and outside it, and they do work for exactly the same company. What they do is the company just gets somebody else, some other subsidiary company, to sign their work cheques. To all intents and purposes nothing at all has changed, but they do have an arrangement that somebody else signs the cheque so it appears that there is a change of employer, but in no other way is there a change of employer.

Mr Sullivan—If they are doing that, then while the person involved is technically in breach of our legislation I think the company involved is probably breaching all sorts of legislation in respect of DIR and tax.

CHAIR—But then nobody has any way of policing it, so we wouldn't know in the end.

Senator TROETH—We have been discussing the problem of people who are in Australia legally. I want to extend that a bit and ask you about the procedures you have in place to deal with people who overstay their visa?

Mr Sullivan—We have an organisation within our organisation that is called Compliance. That involves using a number of methods of detect people who are overstaying, with the objective that people who are overstaying should either regularise their status or be removed from Australia. We do that through data matching. We match our data particularly with the Taxation Office and the Department of Social Security to find people who are not only overstaying but are attempting to access benefits provided by the Australian government. We also do it through field work.

The major driver of field work is what colloquially you would call dob-ins, and we do our own investigative field work. We overlay that with our employer awareness strategy. The strategy basically says the overstayers we are most interested in are people who are engaging in criminal activity or may be a concern to the security services. At the next level, we have a concern about overstayers who are accessing government benefits, often unlawfully. At the next level we have overstayers who are accessing the labour market, again unlawfully. At the lowest level, we then have overstayers who are doing nothing more than overstaying, which is a breach of immigration law, but at least they are not doing anything else.

Criminality is dealt with through the law enforcement agencies, and the law enforcement agencies work with us to find people who have overstayed and are involved in criminal activity. Government benefits we do largely now with data matching. We not only ensure that they are not on government benefits, but if we pick up people, the agreement in place is that we have first chance at the body, if you like, and we will go out and find someone who is, say, in receipt of benefits.

At the labour market level, we work at voluntary compliance through the employer awareness campaign. That is, we aim to freeze them out of the labour market—not employ these people—or, secondly, we do our field work which is both investigative and, as I said,

somewhat driven by public information. At the lowest level, the people who are just overstaying, we work on field work.

Senator TROETH—How successful is the data matching between yourselves and the tax office?

Mr Killesteyn—I think that it is worth looking at the overall results of the department's exercises in overstayers. If you look over the last four or five years, you will see that generally the overall number of overstayers has reduced from, I think, around 100,000 at the beginning of the 1990s. At the moment, it is around 50,000 to 55,000. When you also go underneath those figures, you see that for the long-term overstayer—that is, the person that has overstayed his or her visa for more than six months—the figures are also decreasing. So, generally, I think that the sorts of activities that Mr Sullivan has described have been quite successful over the last few years and, particularly, when they are supported by the employer awareness campaign which has been with us now for about three years. You will see that some of that reduction did become fairly significant after that campaign was introduced.

Senator TROETH—Do you have information on why overstay rates for working holiday-makers are higher than for visitors in general?

Mr Killesteyn—It is probably, in one sense, an obvious result. When we are talking about the overstay figures for visitors in general, we are talking about an overstay rate based upon the number of tourists, essentially, that are coming in. We issued something in the order of three million visitor visas last year and, predominantly, most of those people complied. So you are looking at a very large denominator on which the overstay figure is based. If you then extract another figure of overstayers for people who are coming on working holiday-maker visas, your denominator is smaller. But, you have also got a group of people who, as a natural consequence of their stay in Australia, are potentially working and that may lead to a higher overstay rate. That notwithstanding, I think that the figures are still relatively small.

Senator TROETH—We have discussed employers who, perhaps, employ people who do not have a visa, but what about the claims that we have heard that some employers pay under award wages to working holiday-makers which thereby puts pressure on the locals to accept such wages? How common are those allegations, and how widespread are they in your experience?

Mr Sullivan—The allegations are there. We have worked with tax and DIR and various state instrumentalities in addressing those allegations. My understanding is that it has been difficult to prove the allegations, that generally, where DIR or the state inspectors—I am not sure what the Queensland industrial relations department is called—have gone to a number of these premises, from the records kept, they have complied with awards.

Senator TROETH—Again, I take the previous point that you made, that it is not possible for you to walk into premises and inspect. For that reason, I guess the same comment would apply to wage rates.

Mr Sullivan—Again, we have to pursue the question of a visa status of an individual, not whether the employer is paying award rates.

Senator TROETH—Do you have any suggestions about any potentially more effective ways that you could deal with that problem?

Mr Sullivan—I think certainly we have to continue the cooperation that we started in looking at overstayers and other things generally with agencies like Taxation and the Industrial Relations inspectorates. We have taken in some of our field work, where it is relevant, to combine with those agencies. So, if we do have a suspicion that there may be unlawful non-citizens on a premises, and if Taxation has a suspicion that someone may, for instance, be withholding PAYE deductions but not passing them on to the Taxation Office, and DIR have a suspicion that people are breaching award conditions, we talk together and approach an organisation together. Certainly I think that, where it can happen—and it is difficult sometimes finding that we have got a common interest in a single place of employment—it can be very effective.

Senator TROETH—I gather that there are new administrative arrangements whereby tax file numbers for non-residents are restricted to those applicants which are authorised by you to obtain employment. Has that approach been quite effective?

Mr Killesteyn—I think it is a bit too early to say at this point. The new arrangements started in June or July this year, so I think it is a touch too early to offer any comment on that, but we will certainly be evaluating it with the tax office, probably towards the end of this financial year.

Senator TROETH—We would be interested in your comments on the claim made in one submission that most working holiday-makers do not lodge tax returns.

Mr Killesteyn—We do not know.

Senator TROETH—You are unable to comment on that?

Mr Sullivan—We have got no role to play. The lodging of tax returns and the collection of revenue are two separate issues in that tax must be deducted based on whether a person has a tax file number and whether it is their primary place of work or a secondary place of work, and in respect of the occupations of many working holiday makers, they fall in with the large group of Australian taxpayers where the lodging of a tax return is the mechanism to get some of the tax you have paid back, rather than actually pay it. So there is a question of whether failure to lodge tax returns by working holiday makers is a loss to the revenue. It may not be.

Senator TROETH—I understand that visas can be issued onshore—that is, here in Australia. Is that correct?

Mr Sullivan—Yes, that is right.

Senator TROETH—Could you outline the circumstances in which they are issued onshore?

Mr Dear—Visas granted onshore are effectively extensions of those who already hold a working holiday-maker visa issued overseas. If you do not already hold a working holiday-maker visa, you cannot obtain one once you are in Australia. But under the new arrangements where visas are generally issued for 12 months, with a generous travel facility, we expect the incidence of extensions onshore to virtually go. In other words, if they are given the full-term visa from overseas there will be no need to extend it once they are onshore.

Senator TROETH—These are the same thing as bridging visas, are they?

Mr Dear—The bridging visa is granted to any applicant for a further visa to ensure that, in the time it takes to process the application for that further visa, should the original visa cease they have a bridging visa to tide them over.

Senator TROETH—Thanks, Madam Chair.

CHAIR—Taking up what Senator Troeth said and what she mentioned, that it is not possible to pick up the visa when you are in Australia, have you ever considered changing that regulation for reasons that you could have young people from bilateral agreement countries come to Australia to visit relatives or just to have a holiday, who have absolutely no idea of the working holiday visa, who get here, find that there is a possibility of such a visa, but are not able to access it because they cannot get it in this country? So have you ever considered changing that regulation to make that possible?

Mr Sullivan—I do not know whether it has been formally considered. But it gets down to one of the critical issues of this review; that is, whether there is an appropriate number of working holiday-makers. I think a lot of the restrictions on working holiday-makers, including the one that if you are in a non-agreement country you must apply in-country and cannot apply in Australia, are designed as much as anything to keep the numbers within a certain parameter. With the number of tourists coming into Australia who discover they like it, I think Australia would probably very quickly become the largest source of working holiday-maker visas if you allowed them to be granted from within Australia.

CHAIR—Do you have any evidence of that from the number of inquiries you get?

Mr Sullivan—We get a lot of inquiries about visa extensions generally, such as visitor visa extensions and 'what do I need to do?' queries.

CHAIR—And this would be one form of visa extension—if they could do it?

Mr Sullivan—This would be an extension but it would be in the form of a new visa—if they could do it.

CHAIR—You have no figures of what sort of demand you would see from within Australia, but your instinct is that it would be a large one?

Mr Sullivan—Strong instinct.

CHAIR—And for that I suspect you would recommend against it, or you would be inclined to recommend against it.

Mr Sullivan—If there is a concern that we need to have an idea of how many working holiday-makers Australia can afford to take, with their labour market implications and so on. But if we have a view that it does not matter, then it would not be a concern. I think, though, that there is a view that it does matter. Certainly the government is indicating that at the moment by saying that there is a cap on working holiday-maker visas.

CHAIR—Which brings us, I think, to one of the major questions of this inquiry. We will finally get to it!

Senator McKIERNAN—With regard to the overstay rates you have given us on attachment 6, could you give us some hard numbers on that; the amount? What is it 1.3 per cent of? What is that in numbers? And in the second graph, it is somewhat difficult again to understand—55.9 per cent for Canada.

Mr Sullivan—You can do it by looking at, say, table B, where the overall numbers are there. But we will do that for you, Senator. We will get back to you and provide you with the information by country.

CHAIR—I would like to start on the cap.

Mr Sullivan—In the new information we have provided, Senator, we have got what the numbers are and, by nationality, what they mean.

CHAIR—We have a sort of split between the departments. From memory, I think Tourism are happy to see no cap, DFAT are happy with no cap, DEETYA want a cap and you want a cap. I think we are split two and two. Why do you want a cap?

Mr Sullivan—We do not see the working holiday-maker scheme as being a labour market instrument. We see its objectives as being far broader than the labour market. We think that a working holiday-maker scheme that operates within a numerical constraint actually seeks to ensure that it does not have major labour market implications. Once you get into a scheme which has major labour market implications, you do get into a debate solely on that rather than looking at the benefits of such a scheme to Australia and the reciprocal benefits to Australians of us engaging in such schemes. We get to the point, as we have in terms of the

sectoral regional discussion we have had on tour guides, where we are no longer arguing about whether we should have a working holiday-maker scheme, whether it would be of benefit to Australia and whether it would be of benefit to the individuals who come.

We get into a debate which is about why should these people enter the labour market in such a number that it causes concern—great concern—to elements whose major interests are the labour market entitlements and rights of Australian citizens and permanent residents.

We think the cap is one way of making sure that the scheme remains modest and continues in such a way, as I note from the ACTU submission to you, that its labour market impact is negligible Australia-wide and, therefore, the cap carries the support of the Australian Council of Trade Unions in maintaining it because of the benefits it accrues to Australia. The benefits that accrue to Australians who want to access reciprocal rights are there.

We have seen that the numbers in the scheme react sharply to economic conditions in Australia, or perceived economic conditions in Australia. They plummeted when Australia was going through tough economic times, after having sustained a rapid rise during good economic times. We are seeing again a rapid rise during improving economic times. I do not think I could safely say, if there was no cap and I was predicting what working holiday-maker numbers would be over the next three years, that they could not be very high.

CHAIR—Let me put to you two things: one from the department of tourism's point of view which says, 'These are tourists, these people are bringing money into Australia. They spend Australian money while they are here and they add enormously to the jobs in the tourism industry and associated industries.' From that point of view, the more the merrier. That is one point of view.

Let me put another view: as the world is shrinking we are looking for more bilateral agreements with other countries. Certainly, we are talking about Malaysia as one, perhaps some European countries as others, and there has been mention of Latin American countries. As we bring more countries into those bilateral agreements, there will be greater demands because we will be bringing in those, so we are going to face that as well. Would not the way of dealing with the increased demand be—tourism is good for Australia from not only the tourist point of view but for future contacts with the people who come here—if we could arrange the program so that it was not impacting on our labour markets and we would have the best of all worlds?

If we could just answer that question on principle. You explained earlier the problems you have with regard to limiting the working holiday-maker and with regard to impacting too much on labour markets. But if we could just look at the principle, would not that be the preferable way of going, if it could be achieved?

Mr Sullivan—If I can restate your principle, if you are asking: could we have a working holiday-maker scheme which does not affect the labour market and wouldn't that be the best way to go? I would say yes.

CHAIR—Yes. It is always going to affect the labour market but—

Mr Sullivan—If it was agreed that it did not adversely affect the labour market—yes. Its principle is fine.

CHAIR—Then we narrow it down and the problem is that when we get to particular labour markets we have a problem drafting the regulation, as such.

Mr Sullivan—No, that is not the problem.

CHAIR—That is not the problem?

Mr Sullivan—That is one example of the problem already appearing in a micro sense. The problem is: is 50,000 still a number which does not have an overall adverse affect on the labour market? Is 70,000 that number? Is 90,000 that number? It is: when would an uncapped working holiday-maker scheme start having a national impact on the labour market rather than just a particular sectoral impact that, say, we have in tour guides at the moment?

CHAIR—Taking the fact that if, again, we are presuming that we can actually limit it to the conditions of the working holiday-maker, taking it that they are only supposed to work for three months in one position, do you still think that this would always, once you get into the large numbers, have a general effect on the labour market?

Mr Sullivan—I have no doubt that as working holiday-numbers grow, the sectoral concerns that you currently see in North Queensland will grow with it.

CHAIR—But that is because the conditions are being violated.

Mr Sullivan—No, I think it will move to one. I think you would still have a sectoral concern in North Queensland. For instance, if we were able to work a regulation which prevented someone working in an associated company, and the response was that we will just encourage people—still working holiday-makers—to work only three months at a time in North Queensland and then go elsewhere, I do not think that that would remove the concern about working holiday-makers being tour guides in North Queensland. It would not do it.

The concern up there is not so much that it is being rorted by people working for associated companies, the concern is that working holiday-makers are working as tour guides. There are Australian citizens and permanent residents who believe that they should have those jobs. Address one issue, and get rid of them working for three at one go, and you could replace that by having three times as many working only once at a go. I think the concern would remain the same. It is about being displaced. If the number of working holiday-makers grow, the number of persons who will feel that they have been displaced from an employment opportunity by a working holiday-maker will grow with it. I think the concern will, first, be articulated by particular unions, second, be articulated by councils of unions and, third, be

articulated by people such as yourselves. That is the experience of North Queensland.

CHAIR—Let us focus and let us be clear where we have the problem. We have that problem in Cairns and the area around Cairns, and we have it with only one particular group, and that is the Japanese tour guide group. I have not heard any other group referred to whatsoever except the Japanese tour guides. They are being used on a whole number of bases. You are saying that we do have this problem and it is a specific problem. It is the young people who have learnt Japanese who are then being kept out of that particular tour industry. It is very specific. Can you generalise this to the whole of Australia?

Mr Sullivan—The ACTU's submission to you on this inquiry moves beyond North Queensland. Their concern, as I understand from reading their submission, is that you need to keep the number at a level where the national labour impact of the number is such that the union movement, as expressed by the ACTU, does not have general labour market concerns about it. They have enunciated that in several debates on the working holiday-maker scheme over 10 years.

I think there have been variations expressed from time to time by different groups in the horticultural industry, including Australian groups, as to the impact of the working holiday-maker scheme there. At the individual level, a lot of people complain if they find a working holiday-maker working in an accounting firm or a shop. They believe there is an opportunity there.

I think with the cap at the moment, and the suppressed demand, which is only now starting to pick up to, say, the late 1980s demand for working holiday-maker, and perhaps exceeding it, we have seen that the numbers are not such that they would raise the concerns. I feel that the cap means that we can keep it there. If we left it uncapped, we could have 60,000 to 65,000 working holiday-makers and growing. Would that start evoking a response from interested groups that working holiday-makers were having an across-the-board impact on labour markets? That would be worrying because it would centre the debate.

I have found it quite good that the debate, through the committee hearings, has certainly not centred on the labour market impact, other than that one sectoral interest, but it has been on the benefits and whether we should have more arrangements or less arrangements and whether it is good for Australians. That is how the debate should stay. If it becomes a debate purely about whether we are letting too many working holiday-makers into the labour market, it will be a shame.

CHAIR—Which segments of the labour market do you think would be the most vulnerable to taking up these three-month working holiday-makers? Certainly most employers are looking for people able to work more than three months? For instance, we know that the horticultural industry and the vegetable growing industry are very keen to use the working holiday-makers. Both suit each other, it seems, because of the brief nature of the work, the seasonality of it, the fact that there is no career structure and also the fact that it is bloody hard work. Although it is short term, you are working every damn day of the week. So which other

segments of the whole working area do you see it impacting on?

Mr Sullivan—There are a lot of seasonal industries in Australia, not only in terms of hospitality and horticultural. Retailing is an extremely seasonal industry in this country. It could absorb a huge number of working holiday-makers in the lead-up to Christmas. Say you said, 'Here is a large pool of labour. Do you want to use it?' There are a lot of industry sectors that would take it up, particularly if you have heard some of the worrying suggestions by some of the industries that these people would be more willing and would work harder, et cetera. You could easily find that the expansion of concerns about the use of working holiday-makers in seasonal industries could move into the areas that we regard as being entry-level employment for so many Australians; for instance, retailing.

CHAIR—So you think we have the likelihood that, come the Christmas season, Myer or David Jones—given the choice between a young Australian or a young working holiday-maker from another country—would be inclined to put on young working holiday-makers?

Mr Sullivan—If the horticulturalists, as I understand what they said to you, say yes, I do not see why they would not think the retailers may not say yes.

CHAIR—I think you have a different situation in the horticultural industry.

Mr Sullivan—I do not see it myself.

CHAIR—For one thing, you have got to travel to a horticultural industry; you do not have to travel to your local David Jones store.

Mr Killesteyn—I think the point is simply that the potential for spillover into other industries is there if the program numbers grow. It is a question of how seriously you assess that potential. The pent-up demand for working holiday-maker visas is quite large. The anecdotal evidence suggests that, just from two countries, we could increase the numbers by about 10,000 almost overnight. If you had that sudden injection into the labour market generally, where are they going to go? They will be looking for jobs. That is why they come here. So where are they going to go? And it is just a simple matter of it having to be absorbed in some way. The potential is there.

Senator McKIERNAN—How do you measure that potential? How do you measure demand?

Mr Killesteyn—The figures I quoted emerged simply from the views of our post managers in Germany and Israel. In Germany, they assessed that they could probably issue another 6,000 working holiday-maker visas if the cap was lifted.

Senator McKIERNAN—Okay, we have now got a cap in place for this year, and I have seen the figures that you provided—in the supplementary submissions or answers to

questions—of 22,000 issued in the first four months of this year and it was said just now that we could go to 60-odd thousand—

Mr Sullivan—We cannot go to 60,000—

Senator McKIERNAN—No. But if there was no cap, you could get 65,000, you said. I am sorry; I did not mean to misrepresent you. But what happens? Somebody comes into the post in London and makes an application; is that person granted virtually automatically on application?

Mr Sullivan—That is right.

Senator McKIERNAN—At this time?

Mr Sullivan—At this time.

Senator McKIERNAN—What we have now is 22,000 in four months, multiplied by three. So some time in April-May next year we are going to again see those newspaper articles that appeared in November last year.

Mr Sullivan—If the application rate continues, yes, we will reach the cap before the end of the financial year.

Senator McKIERNAN—There are no restrictions or bars on individual countries? If thousands come into London in the next few weeks and no-one goes into Tokyo and Osaka, they will all be issued in London? There is none available for—

Mr Sullivan—I am sure if the wire services pick up this conversation we are going to have people charging into our embassies to apply. We have no capacity to move other than through caps. In having a cap on, we have posts understanding what we expect their visa issue rates to be, and they report to us if they are outside that range. So we have an understanding of how many London is doing a month. But you cannot use those notional planning levels as saying, 'There is no more this month.' We have to progress an application through to grant without undue delay; we cannot just hold.

Senator McKIERNAN—But you may have to do that in the latter part—

Mr Sullivan—No, if we move and say, 'The cap is now in place,' then we can hold.

Senator McKIERNAN—If you say you can have no more applications?

Mr Sullivan—Yes, we can hold then.

CHAIR—Isn't that an argument for giving countries different quotas?

Mr Sullivan—Reciprocity is an issue which many countries have in lots of their visa arrangements. We have reciprocity in terms of more liberal arrangements for countries who have been willing to enter a reciprocal agreement with us, but we have never gone into reciprocity in terms of actual numbers. Reciprocity has never played a role in Australian entry policy. It certainly is one way—Canada, for instance, does that. Their quota for Australia is actually determined partly by us because they ask us to give them an estimate of how many Canadians we believe will enter the scheme and once we give them that they set the quota at about the same level.

CHAIR—Is there a way of doing it then? The point Senator McKiernan raised does concern me. We do have a lot of applications from the UK. But the whole idea of the scheme is to introduce young people from all countries around the world into Australia, and if all the numbers or a large percentage of them are taken up by the UK applications that defeats part of the reason of the scheme.

Mr Sullivan—Senator McKiernan said `if that was happening. The visa issuing at the moment reflects the fact that it is not a particular country which is taking them up at a faster rate. We are getting a general increase. I do not think there is anything being reflected in our numbers to say that the UK took more than they always take.

CHAIR—But it is not a matter of what is always the case, is it? The UK does take 20,500 compared to Japan, 5,500, Canada, 3,500, Ireland, 4,500, and the Netherlands, 2,500. Is that a question we could look at so that we get a bigger spread?

Mr Sullivan—You then get to the fact that, as I think the working holiday-maker reviews have said, the balance with the UK is certainly our way—that is, more Australians go to the UK than come here. If you attempt to ration the UK you may find there is a reciprocal thing.

CHAIR—A reciprocal rationing.

Mr Sullivan—Certainly the balance with Japan is Japan's way—more Japanese come to Australia than Australians go to Japan—so there is an argument to say, `Why would you want more to go to Japan?' There are pluses and minuses to every scheme you can think of.

Mr Killesteyn—I also starts to add a discriminatory element to the program.

CHAIR—That is always the problem. Once you start capping and saying there is only so much from a country, you do start to raise those questions. I do see that as the scheme widens and we do bring in other countries—and we are anxious to have other countries take advantage of the scheme—the demand could go up in the United Kingdom. Do you see the demand going up from the UK, by the way?

Mr Sullivan—We are seeing demand going up from all the markets.

CHAIR—If the demand goes up in the UK, it takes a larger and larger proportion of those numbers and as more countries come in then we are getting less, proportionally, from other countries. But I understand that, at the moment, there does not seem to be much of a clear solution for dealing with it.

Mr Killesteyn—If you look at the statistics—and this is just a very top-of-the-head analysis—it looks as though the rate of increase is greater in countries other than the UK. That may just be because they are coming off a smaller base.

CHAIR—When it is 20,000 compared with 5,000 you are going to have a difference.

Senator McKIERNAN—On the figures, you said the exchange rate between us and the UK was in our favour. The figures that Foreign Affairs have in their submission, which we were talking to this morning, said 20,500 UK to Australia, 17,450 Australia to UK.

Mr Dear—The difference with the UK is that the UK allows a two-year visa. I do not think the figures that they have given you are quite the same as the ones that we have—or what source is what—because I think we had 20,000 Australians for last year.

Mr Killesteyn—The point simply, Senator, is that given that there is a two-year visa for Australians to make it comparable, you should double the numbers. Sorry to state the obvious.

Mr Dear—The figure we have, Senator, for 1995 is 17,450 Australians to the United Kingdom and 20,526 for the 1995-96 financial year, UK to Australia.

Senator TIERNEY—Or capping perhaps in another way. I will just return to our tour guide problem in North Queensland. Just to put an idea to you, why could we not have a regulation that did actually limit the number that could be brought in specifically as tour guides—be defined as tour guides—and that a company could only employ half their tour guides on that basis with perhaps a ministerial discretion let-out? In other words, they would have to make a really good case to have that 50 per cent varied specifically for tour guiding, as that seems to be a very specific problem that we have from Japan.

Mr Sullivan—A country-specific regulation determining that by occupation disclosed at time of application. As I say, the problem with tour guides is that a Japanese working holiday-maker walks into our embassy in Tokyo or a consulate in Osaka and says, 'Can I go as a working holiday-maker to Australia?' He gets a working holiday-maker visa, arrives in Cairns and gets picked up on the streets or is asked to work. They would not describe themselves as a tour guide when they left. The application is not based upon the nature of the employment that they are going to be seeking in Australia.

Senator TIERNEY—But is it not the case that it is the companies that are actually bringing these people out?

Mr Sullivan—I think what you have got to say is that the companies are encouraging people. There is no sponsorship. So it is not that the companies are organising it or coming to us and saying, 'We want 100.' They are informally encouraging Japanese working holiday-makers. The companies could say to a group, 'If you get a working holiday-maker visa and you come to Australia, and you come to Cairns, come and see us at various locations in Australia and we will give you a job.' It could be in a shop; it could be a street tout for a shop; it could be as a tour guide. This is why I said that the problem is that it is only the applicant who applies. We are not seeing working holiday-makers sponsored by anybody. They would probably just describe themselves as a student, or something else, who wants to go to Australia for a working holiday-maker arrangement.

Senator TIERNEY—Obviously, not enough of these people who come in on that basis are not finding work as the tour guide companies are, I believe, encouraging people to come out.

Mr Sullivan—We believe they are encouraging, but it is impossible to legislate encouragement or around encouragement.

Senator TIERNEY—We are talking about regulating not legislating.

Mr Sullivan—It is a form of legislation, as we have found.

Senator TIERNEY—So, given that we have got a real labour market problem with all of this, that Australians are being deprived of jobs where they think they should be able to get jobs and they learn Japanese to do that, how do we fix this problem?

Mr Sullivan—If I could give you a good straight answer on that, I would have done it. We find it very difficult to fix the problem. As I say, we believe that the heart of the problem is to get this industry into a more articulated focused agreement on labour. That, I think, would be the biggest single thing we could do—to get it out of the working holiday-maker scheme and into something else. A labour market agreement takes account of such things as what training is going on and the commitments by employers who are party to the agreement as to what they are willing to do inside Australia, in making their case for why they would want specialist labour from elsewhere to come down. That is the sort of discussion that we would encourage the parties to get into.

Senator TIERNEY—What sort of powers do you have actually to get them into that process?

Mr Sullivan—In the end, it will be dependent upon what is turning out to be a major irritant to the scheme—a sectoral, regional irritant to the scheme—and what impact in the end it will have on the scheme. At one end of the scale, would you say that the tour guide issue in northern Queensland is enough to break the scheme, so let us not have one because of that? You would probably say, 'No; it has not got to that point yet.' But neither is it at the other end, which says it is not a problem. It is somewhere in the middle.

I think they are watching this committee closely and watching the government closely. They are looking closely at the capping arrangements. There is no certainty for those operators at the moment that a continued stream of working holiday-makers will be available to them. So there is a lot of encouragement there to say, 'If you have got a labour market issue, approach it through labour market mechanisms.' To a degree, we would say that about most labour market issues. While we appreciate the horticulturalists saying, 'Working holiday-makers are our saviours in respect of labour,' it probably should not be that it all hinges on the working holiday-makers scheme.

If there is a regional and sectoral employment and labour shortage issue, it is something that we would be encouraging our colleagues in DEETYA to address more widely than by saying, 'The working holiday-maker scheme will fix it up.' You have no certainty that you will encourage the working holiday-makers to go to Mildura. What you really need, if there is a regional labour shortage in Mildura and it cannot be solved by inducing Australian labour to go there, is to think about other solutions. There should be a broader range of possibilities than saying, 'Don't turn off the tap of working holiday-makers.'

Senator TIERNEY—What about pressure at a regional level—like Cairns—with the departments working together? We have picked up an impression that both your department and DEETYA did not seem to be talking to each other very much about this problem. They would come in and DEETYA would say no, and then they would go to your people, who would say yes. As we are dealing with specific companies in a specific region, surely the governments should be talking to each other and then to these people and saying, 'Look, there is a real problem.' They cannot keep coming up and saying, 'But we can't find locals to do this.' Surely you could be saying to them, 'You have got to be kidding' and negotiate it with them. There does not seem to be much of that sort of thing happening.

Mr Sullivan—It would certainly be something I would pursue, after some of the comments of this morning. This is not about working holiday-makers; this is about working holiday-makers who seek to move to either temporary entry or permanent entry as an employer nomination. Before you do that, the responsibility of DEETYA, exercised through its CES office, is to do what is described as a labour market test. It is not a question—whether a person can come to us and we say, 'Yes, you're okay' but DEETYA says, 'No, you're not okay'—of a person getting a visa. DEETYA is the single, sole agency to determine whether a job and a placement of a job have met labour market testing, for immigration purposes.

Senator TIERNEY—They kept telling us that they were overturned by your department.

Mr Sullivan—I do not care what they told you.

Senator TIERNEY—They said they had given up.

Mr Sullivan—I will pursue the matter and report back. Again, as I said before, we take on consular functions. If we could do labour market testing, it would solve probably

some of the biggest issues we have had.

Senator TIERNEY—Perhaps, Madam Chair, we should have a round table of the two departments.

CHAIR—They are actually planning something along those lines, you will be happy to hear. It is a pity we cannot bring in the Cairns CES to put their bit in as well. Can we go back to where we were talking about putting the cap on? We have been given evidence that this creates problems for the industry and that there is a tendency—once people know that there is a cap and there is more publicity—for them to apply for the visa, although they may not use it. They think, 'Oh damn; I'd better get in quickly before those visas dry up.' Do you see that as a likelihood?

Mr Sullivan—A visa has only limited validity, and they must exercise that visa within 12 months; so I guess there is that possibility, if they are rushing because they believe it is going to reach a cap. It should not worry someone who has an intention of maybe in the next 12 months doing this, because they will know that from 1 July they will be able to apply again and it will be okay again. When the cap was used last year, we had concerns expressed by the tourism industry, who looked at the drying up of the backpacker market—although, as Senator McKiernan said, working holiday-makers as a percentage of the backpacker market are significant, but not that significant: they are about 10 to 15 per cent of it. We had concerns from the horticultural industry, which was saying that the cap was going to jeopardise their problems in terms of the labour market. I would expect they would again be the two major groups who would express concern about a cap being reached.

CHAIR—Certainly, you can see how it is going. I am not simply looking at the tourist industry and how it is going to affect the backpacker hostels if, suddenly, the cap is reached. It affects only 15 per cent of the backpackers, so I guess it is not going to be the end of the world for them. But if they are expecting 15 per cent fewer, that does not really help. It could be, I suspect, that some hostels tend to be more dependent on the working holiday-makers than are others.

Mr Sullivan—You have to factor into that, of course, that having reached this year's cap we already would have seen 25 per cent more working holiday-maker types coming in under that visa than there had been last year. There has been tremendous subcategory growth within the group. It is not that we are trying to constrict and reduce. The cap this year has allowed up to 25 per cent expansion, which I think is significant expansion in anyone's terms. They would have had 50,000 working holiday-makers go through their hostels and other forms of accommodation.

CHAIR—Going back a step, to the technical details, do you have figures on the lapse of time between when young people apply for a visa and when they actually take it up? Their 12 months starts from the time they arrive in Australia?

Mr Sullivan—It does now, yes.

CHAIR—What is the sort of lapse of time between when they actually apply for that visa and when they arrive in Australia? Do we have anything on that?

Mr Sullivan—We would have to see whether we can do that. We used to allow a working holiday-maker one month to move from visa to travelling to Australia. We found that was causing most of the extension requests in Australia. A number of the working holiday-makers, particularly those from Europe, were making extended working holiday-maker arrangements, often through Europe into the subcontinent or Asia. Before coming to Australia and discovering that they had lost, sometimes, several months of their visa, a lot of them were down in Indonesia. They then had to come in and apply for an extension. That is why we moved to saying that, as long as your visa—which was for 12 months—remained valid, we would start counting the 12 months from the time you entered Australia for the first time.

CHAIR—What would happen if somebody took out a working-holiday visa thinking that they were going to go away, and then they did not? If the 12 months elapsed and they never took up the visa, would they be able to re-apply?

Mr Sullivan—They would be able to re-apply as long as they had not used it.

CHAIR—So there is a possibility that people could hedge and take out these visas if they felt that they were definitely coming?

Mr Sullivan—They could. They are spending \$145 of their hard-earned.

CHAIR—That is their cost, and it is a reasonable hedge against not being allowed in.

Senator TROETH—I would like to ask you about the reciprocal arrangements with other countries. I gather that, since 1994, we have made a number of approaches to other countries to further diversify the program. Given your earlier remarks about the impact of a greatly expanded scheme on labour market arrangements, if the working holiday scheme is expanded to include those other countries, how great an impact is that likely to have on the numbers who would then apply for working holiday visas?

Mr Sullivan—Depending on who picks it up, it could move from a marginal impact to quite a large one. Mr Killesteyn mentioned Germany and Israel, where our posts suggest that the take-up rate could be quite high. Our negotiations with Cyprus are fairly advanced. I do not think Cyprus would take up many visas. Indonesia and South Africa could. If we are able to negotiate a reciprocal agreement, some of those markets could result in a significant uptake in interest.

Senator TROETH—But if, at the same time, the cap is retained, would that mean that every country would then have a much thinner slice of the visa arrangements?

Mr Sullivan—Yes. That is right. That is where we are keen to look at other factors, including the age groups. Currently, we allow up to age 30 for those with an agreement, up to age 25 without. I think there has been some comment before you about the very young end of that scale. If you wanted to restrict by age group, that would obviously have an impact on numbers. Then there is the issue of the non-reciprocal countries and whether we should move to just those where there is reciprocity. If so, how do you do it? Do you do it in some other numeric way? Certainly, as more and more countries enter the scheme, if you maintain a cap, it would thin it out.

Senator TROETH—If you had to start looking at making different arrangements for age groups, and so on, I think the numbers—certainly, the ones that I have seen—that have been presented to the committee indicate that, let us say, the 18- to 22-year-old is a fairly minor group in the whole intake. We would still then be looking at restricting the numbers of the 23- to 30-year-olds. We would still have to say to some countries, 'We are sorry, but you cannot have the number of working holiday-maker visas that you had before.'

Mr Sullivan—Yes, as we do now. And using this year's cap, we would be saying to all countries with whom we are negotiating that Australia allows 50,000 working holiday-makers into Australia. When 50,000 have been granted globally, we will stop globally. It would be the same message to each under our existing rules. It would be saying, 'Your citizens are advantaged as long as the queue is open. There can be as many as apply. But when it is finished, it is finished. At the same time, it is finished elsewhere.'

Senator TROETH—Right.

Mr Killesteyn—The issue of diversification is not just—in my mind at least—a question of numbers coming into Australia. It is also going the other way. In one respect we have fully diversified the program because we do not shut out anybody who wants to apply as a working holiday-maker coming to Australia. But once you diversify and open up the other countries, then it is for Australians travelling to those other countries where you start to see greater long-term benefits.

Senator TROETH—Yes. I am certainly well aware of that. It is just a question of balancing the numbers versus the access that I was really looking at. Would an expansion of the scheme, taking in other countries, have resource implications for the department?

Mr Sullivan—There is always a resource implication in accepting more applications. It is not a great resource implication.

Senator TROETH—Have you talked to the department of foreign affairs about the geographical areas in which the scheme could be expanded?

Mr Sullivan—Yes, we have.

Senator TROETH—So there is cross-department—

Mr Sullivan—Certainly, before we have any discussions in any country regarding it, we talk to Foreign Affairs.

CHAIR—Back to the cap again. We do not put any upper restriction on how long they can work. We make the general rule, saying, 'You should not work for the 12 months.' But we do not say, 'You cannot work for longer.' If a restriction were brought in that working holiday-makers could stay for 12 months but they could only work for two lots of three months during that period—and please ignore for the moment the question of policing—would that then take the pressure off the numbers because you are limiting the time that they can work in Australia?

Mr Sullivan—With your qualifier, yes.

CHAIR—Is that the bit we get back to? The qualifier is the policing?

Mr Sullivan—The big qualifier is the policing. Certainly, if a person could only work for two periods of three months, for instance, it would decrease the impact on the labour market.

CHAIR—Applicants for some arrangement countries can apply outside their own countries, but some cannot. Is that not discriminatory?

Mr Sullivan—For all arrangement countries, you may apply outside your own country. For non-arrangement countries you—sorry, I have it wrong.

CHAIR—You have it wrong. Your department will tell you what it is.

Mr Sullivan—The United Kingdom, Canada and Ireland, I think, can apply anywhere. Japan, Malta, and Korea are outside.

CHAIR—The English speaking countries can apply anywhere; the non-English speaking countries cannot, which does appear somewhat discriminatory.

Mr Dear—That is either a quirk or an accident of history. The first one outside of Europe may have been Japan, and I think that when that was being negotiated this matter came up. It is true to say that, while we call them reciprocal arrangements, they are not truly reciprocal. And some of them, while they are called arrangements are merely an understanding on paper; they are not formally at treaty status, or anything else. So there have been—with the evolution of time—a variety of arrangements put in place. But there is no special significance to the inside-outside the country of origin other than the fact, I suppose, that we may have tightened up in more recent years.

CHAIR—I understand how it came about and the different arrangements between those two sets of countries, but on the basis of it, I think, when you put it as an English

language and non-English language, it could be described as discriminatory in that respect.

Mr Sullivan—I agree with you.

CHAIR—Perhaps we could put that to the minister as something that should be looked at. I am exhausted! Have you got any more questions?

Senator McKIERNAN—I was exhausted at half past five, Western Australian time, this morning. Yes, I do, as a matter of fact.

Mr Dear—Excuse me, Madam Chair, the Netherlands is another country, so there is one non-English speaking.

CHAIR—Okay, there is one. That is good.

Mr Dear—Although the level of English is quite good in the Netherlands as well.

Senator McKIERNAN—We were given some evidence of people on the working holiday-maker visas who ran into difficulties whilst they were in Australia. They were supposed to have a certain amount of money coming in but, on having to show the plastic card, the money was found to be non-existent. Have you any suggestions of how better that could be policed so that people do not become dependent on charitable organisations because, obviously, there is no access to social security?

Mr Sullivan—It is very difficult to police. We look at a working holiday-maker generally to have a return air ticket, to have some funds to establish himself or herself in Australia and then have the right to work. Someone who presents us with an international credit card is generally accepted as having funds available. I am not sure how we could—

Senator McKIERNAN—Does the department have any indication of the extent of the problem if, indeed, there is a problem? It was mentioned on a couple of occasions to us—no more than that.

Mr Sullivan—It is not a problem that has come to our attention that I am aware of and I do not know whether anyone here is aware of it. I think there is a problem certainly as Australia attracts more and more tourists or tourist-type people if there are considerable numbers who fall into some financial difficulty, but it is not something that has come to our knowledge.

Senator McKIERNAN—Again, from the supplementary information given to us this morning, I noticed that there have been very few rejections of applicants for working holiday-maker visas over the years, and I am also pleased to record that the actual overstay numbers are comparatively small, although the rate is certainly a little bit higher than it ought to be. Have the conditions applicable to working holiday-makers been tightened up in recent years so that the risk factor is reduced?

Mr Sullivan—It is a scheme where the people who apply for it are fairly well across what we require. There is a good advisory service out there in respect of working holiday-maker schemes. Most people do present to us with documentation as to their age, a valid travel document, return air tickets and some funds availability. Where working holiday-makers fall into problems in Australia is that some of them believe that coming to Australia and finding a job is very easy. While we have sectors where finding a job is very easy, for others, finding a job in Australia is quite difficult. I think the BIMPR report in 1994 talked about the issue of people who were unable to find employment in Australia and having difficulty as a result of that. When they see us, they have a return air ticket. There is a thriving trade around most capital cities in Australia in return air tickets; where you cash them in as soon as you get here and it gives you some more available cash. But we know they had one, at least when they applied.

Senator McKIERNAN—Referring to Cairns, can you provide the committee with information on the number of persons on working holiday-maker visas who then go to labour agreement type visas or employer nomination?

Mr Sullivan—We can try to get that change of status information.

Senator McKIERNAN—Would it be possible to do that?

Mr Sullivan—It should be possible to get someone who moves from a working holiday-maker visa to another visa without moving, and what it was.

Senator McKIERNAN—You have heard the concerns which were expressed before about the Japanese working holiday-maker visas, but we did hear other things where people were here on one particular visa class then move onto another visa class which is, again, locking Australians out.

Mr Sullivan—Significant numbers of working holiday-makers do move on to various other classes of visas. A number of them get married or form relationships which are a cause for changing status. A number move into employment categories and a number move into temporary entry categories. We can show you the movement but we cannot show it to you by region. It would not necessarily show you that they were Japanese tour guides, it would just show you working holiday-makers generally moving to other categories.

Senator McKIERNAN—Could you do it by nationality?

Mr Sullivan—We will try.

Senator McKIERNAN—We received evidence in Brisbane, I think it was, that an officer in the High Commission in London was advising people to apply for working holiday-maker visas to New Zealand. That was in November last year, when the cap was first introduced.

Mr Sullivan—To apply to go to New Zealand?

Senator McKIERNAN—That our officer was recruiting tourists for New Zealand. Had you heard that?

Mr Sullivan—I had not heard that. I hope he was giving them a visitor visa to stop here on the way.

Senator McKIERNAN—The assertion was made that, because Australia had put a cap on the visas, New Zealand had massively enlarged the number of working holiday-maker visas it was going to issue. That was in November.

Mr Sullivan—I had not heard we were doing that.

Senator McKIERNAN—We have it on evidence.

CHAIR—Given the less stringent requirements for the grant of a working holiday visa compared to the requirements for the offshore grant of other visas which allow holders to work, temporarily or permanently, to what extent might the working holiday scheme be used as an alternative means of entry by those who would be refused other visas?

Mr Sullivan—The most comparable visa type would be a student visa. Certainly, if you want to study you will be given work rights. The unique thing about the working holiday-maker visa is that it does not require you to be in a key position or a specialist or high level position. If you want to come to Australia to work temporarily you must have specialist skills in demand; you must be a manager or a key person in an organisation and we will test that. We will not test a working holiday-maker. You can basically work wherever you like. You can be a labourer, or you can pick fruit, or you can be a chief accountant with some company for three months. You can do all of that range. The only thing comparable is students. We give students 20 hours a week work rights. But, again, it is basically a freedom to work.

The only other group to which we give a freedom to work, without looking at their particular skills, are the spouses of long-term temporary entrants. So if your spouse has been granted temporary entry to Australia on the basis of, say, her management capacities, he will be allowed to work anywhere he likes.

CHAIR—There are health requirements for long-term visas. Does any other category have to have a health check? We heard today that you can apply for a working holiday visa a year before you actually come to Australia. By the time you reach the end of your stay in Australia, it is two years since you applied. You did not have to take a health check in the first place, it was just your application that said, 'I'm healthy.'

Mr Sullivan—Temporary resident visas under 12 months do not require health

checks. Some of those visa validity periods are the same. The only exception is with student visas. They require a greater health checking. That is because there is a health concern about people entering a classroom situation. Checking the health of working holiday-makers is consistent with the health checking of temporary residents.

Mr Killesteyn—We are also talking about countries where health issues generally are not clear.

CHAIR—Thank you for appearing before the committee today. If we have any more direct questions, the secretary will write to you. I hope that we will have some informal meetings with the department where we can thrash out some of these issues further than we have today.

Mr Sullivan—We look forward to that.

Resolved (on motion by Senator McKiernan):

That this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 12.07 p.m.