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# THE EMPLOYMENT OF SKILLED MIGRANTS ON TEMPORARY 457 VISAS IN AUSTRALIA: EMERGING ISSUES

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*Australia is characterised as a migrant nation, and yet rhetoric rather than evidence-based research dominates current discussion about skilled migration. This paper reports on the scoping phase of a national industry-collaborative study that explores the issues associated with employing skilled migrants entering Australia on temporary 457 visas. It is well established that the Australian economy is currently almost unique amongst first world nations in entering an extended phase of growth fuelled by the developing nations' hunger for natural resources. How Australia should balance the current need for skilled migrants to sustain this growth, with the concerns for sustainable population growth, is the subject of vigorously contested public debate. This paper explores the current literature and details the key positions currently vocalised by the main stakeholders in the press and social media as a mechanism to argue for further research on the topic. The paper concludes with a summary of the current literature and stakeholder positions. This analysis indicates the complex ways that skilled migration impacts upon industry, communities and the migrant families themselves and provides a knowledge platform for our subsequent research study exploring the economic and social costs and benefits of skilled migrants on temporary 457 visas.*

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This paper explores current debates around skilled migration, and in particular for migrants on temporary 457 visas, through a review of the academic literature and an analysis of the statements of key stakeholders in the media and other public for a, such as websites. The intention is to establish a knowledge base that supports further study. The aim is to provide a critical analysis of stakeholders' views relating to the constraints and possibilities in using skilled migrants on temporary 457 visas in Australia. This preliminary study will support our subsequent investigation of the attitudes of stakeholders and details of their experiences through a mixed mode study using the available statistics of workers on temporary 457 visas entering Australia supported by a narrative analysis. For this study, as demonstrated in this paper, we focus on two aims. First, we document the numbers of workers on temporary 457 visas entering Australia to analyse their industry destination and location. To do this we use secondary statistical data. Second we explore the issues associated with skilled migration and where possible issues that relate specifically to workers on temporary 457 visas, from media sources to show how they are currently being vocalised. In doing so, we seek to fill a significant gap in

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knowledge about specific groups of skilled migrant workers. There is very limited data and empirical research that specifically investigates workers on temporary 457 visas<sup>1</sup>.

While employment and industry production are pivotal in the current national debate, any decisions also have significant implications for migrant families and their local communities. The intent of our study is to determine the economic and social costs and benefits of skilled migration to industry, communities and migrant families in the mining and construction sectors.

## **Pressures to increase skilled workers in Australia**

Australia is predicted to move into another resources boom due to the global demand for our resources. This growth is, in turn, expected to drive major infrastructure construction projects (BIS Shrapnel, 2009). Such expansion requires adequate numbers of skilled workers, and presently Australia is experiencing a shortage, specifically in mining and construction workers for major resources projects [citation required here]. In addition to the pressures that result from rapid economic growth in these sectors, the ageing workforce, which is a common challenge across most other developed countries (Khoo, McDonald, Voigt-Graf and Hugo 2007), is also contributing to mismatches in labour demand and supply.

There are many different options for addressing this issue that are available to policy makers. However, for the study and this paper, we focus on addressing the shortage of skilled workers in Australia by allowing the temporary migration of more workers specifically those workers employed under the Subclass 457 visa; while simultaneously enhancing domestic skills. Skilled migrants entering Australia on temporary 457 visas are constrained by being permitted to work for a maximum of four years and must remain with an employer for that time. They can change employers while in Australia and are allowed a maximum of 28 days out of work before they must leave the country, however, at the end of their stay can apply for permanent residency for themselves and their family (DIAC 2009).

The use of workers on temporary 457 visas is an issue that is strongly debated (Evans 2008, Toner and Woolley 2008). On the one hand, supporters of skilled migration argue that, in periods of rapid growth, the Australian economy lacks the capability to train sufficient domestic workers within the timeframe industry requires (OECD 2002, Roach Report 2005, Evans 2008). Indeed, Australia is a migrant nation with 97.5% of the population arriving on the shores during the past two centuries; and a quarter of the current labour force being born overseas (DIC, 2011). Others use the counter argument that such actions place Australian jobs at risk, reduce domestic skills training (Toner and Woolley 2008). Moreover, it has been argued that, as a consequence of the restricted rights and entitlements afforded to them, many workers on temporary 457 visas are at risk of exploitation<sup>2</sup> (Oke 2010, Jockel 2009, Deegan 2007, International Labour Organisation 2003).

Further clouding the skilled migration debate, there is limited understanding of a number of issues, including:

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<sup>1</sup> Temporary Business (Long Stay) - Standard Business Sponsorship (Subclass 457). This visa is for employers who would like to employ overseas workers to fill nominated skilled positions in Australia (DIAC, 2009).

<sup>2</sup> Exploitation has occurred through reduced wages, conditions, and political and social rights due to the temporary nature of their stay in Australia. These workers have no voting rights or means to influence their working conditions (Jockel 2009). However, increased protection for these workers rights were included in the terms of employment in 2010 with a requirement to ensure these workers have parity of working hours and remuneration with Australian workers.

- (a) the benefits and costs to business;
- (b) the impact of this employment arrangement on the life experiences of 457 workers to Australia; and
- (c) the broader social consequences of such arrangements for Australian society.

Currently, individual employers bear the brunt of the costs of employing workers on temporary 457 visas (Khoo, McDonald, Voigt-Graf and Hugo 2007, Millbank 2008). Employers act as sponsors for workers on temporary 457 visas. As sponsors they have a number of specific responsibilities including: provision of work; assistance with ensuring that the worker has access to adequate housing during their time in Australia; ensuring that the worker has adequate transport to and from the workplace; providing equitable payment for the work performed; and ensuring there is adequate provision for the workers' children to attend school (Khoo et al 2007).

Khoo, et al (2007) conducted a study in 2003/04 and found that the main reason employers source overseas temporary workers is due to their difficulty in sourcing sufficiently skilled labour in Australia. Migrants sought work in Australia because it offered improved quality of life compared to that offered in their home country. Although this was a valuable study, and highlighted the push-pull factors of using migrant workers the research did not specifically focus on skilled migrants on temporary 457 visas. Nor did it place a value on the economic and social benefits and costs to Australian business, or assess the effects of this employment arrangement for the migrant families or the Australian community more generally.

### **An important problem**

The Australian economy has led the developed world's recovery following the Global Financial Crisis (GFC). This has been linked to 'resources boom' that has underpinned an extended period of economic growth over the last two decades (Gruen 2011). The development of new natural gas extraction and processing facilities are examples of this rapid growth. It is predicted that the approval of the Gorgon Gas project, will lead to approximately \$43 billion dollar in new investment and the creation of a significant number of jobs (Probyn 2009). Similarly, Woodside's announced in August 2009 of its investment in a new natural gas operation (the Pluto venture in Western Australia) has the potential to be 40% bigger than the Gorgon Gas Project (Klinger 2009). Both projects require large numbers of qualified people to carry out the construction work and subsequent plant operations. Beyond the 6,000 construction workers required for the Gorgon Gas Project it is estimated that a further 70,000 construction workers required by 2020 for other approved national projects (Probyn 2009). The value of construction projects to the Australian economy for the second quarter of 2009 was \$35.03 billion dollars, which is an estimated 15% of GDP (ref?). In terms of Australia's neighbours, China and India are growing rapidly industrially and already require large quantities of Australian minerals; particularly iron ore (Gruen 2011).

To meet this increasing demand, the mining industry is under pressure to elevate production and needs a continuous and growing supply of skilled workers. However, Australia has been in the grip of an extreme shortage of trades skills for several years (National Centre for Vocational Education Research 2008). This is being further exacerbated by Australia's ageing workforce, and it is predicted that in the decade between 2010 and 2020 more people will retire than will join the workforce (Jockel 2009). In short, there are not enough qualified skilled people in Australia to meet the current or predicted demands (Probyn 2009). To tackle this issue, the government can recruit from overseas, and allow more workers on temporary 457 visas to enter the country, and/or they can increase the

number of apprenticeship training places. The federal government has recognised these options and increased traineeship and apprenticeship places in the Federal budget and allocated a National Workforce Development Fund of more than \$100m for training development (Moodie 2011) in recognition that ‘the days of unskilled jobs are over’ (Ferrari 2011:5). Nevertheless, there will still be a considerable shortfall of skilled workers in the short term as apprenticeships have a long lead-time. Therefore many companies in Australia want to expand the recruitment of workers on temporary 457 visas from overseas (Evans 2008), with the government capping Subclass 457 visas at 125 000 in the coming year (Shanahan 2011). Balancing these competing yet complementary national skilling strategies will be critical for government, industry and wider society during the next decade. Such a debate considers Australia’s sustainable economic expansion, population growth, and community stability. Temporary skilled migration policy will be influenced by the findings of our study; as well will provide empirical evidence to displace entrenched preconceptions elicited from key stakeholders’ experiences, and thereby making a significant contribution.

Governments faced with skilled labour shortages seek the flexibility of the international labour market. Internal labour flexibility is generated through occupational fluidity, contracting, performance based pay and relocation (Standing 1999). Importing temporary skilled labour in times of rapid economic growth is yet another opportunity for government to increase the flexibility of labour supply and respond to economic changes, but at what cost to developing nations who lose their most skilled workers? In many cases international labour flexibility is about organisations moving their production to areas where labour is cheap, non-unionised and where they can more easily manufacture consent. In this case labour flexibility is about short term skilled workers using work opportunities for life changing experiences and for organisations to continue rapid production. One issue that opponents to the use of workers on temporary 457 visas raise is the argument of parity of wages compared to the Australian worker (Oke 2010, Jockel 2009). However, despite criticism about underpayment of workers on 457 visas in some industries in the past, in broad terms migrant average wages under the recent 457 visa programme has outpaced those of their Australian counterparts (Maley and Franklin 2008).

### **The introduction of the workers on temporary 457 visas to Australia**

The Temporary Business Long Stay visa Subclass 457 was introduced as Australian policy in 1996 (Oke 2010). The Department of Immigration and Citizenship (2009) advise that the Subclass 457 visa is designed to support the growing Australian economy by ‘providing a mechanism to source temporary skilled labour as a top up for the domestic workforce’.

In 2007-08, 58 050 sponsored employees entered Australia on the Subclass 457 visa. This was a 24% increase upon the previous year (Department of Immigration and Citizenship 2009). Over 9,000 visa holders on temporary 457 visas were in trade occupations with 56% of these located in Western Australia (WA) and Queensland, making WA an ideal location for the investigation. Toner and Woolley (2008) reported that the rapid expansion of workers on temporary 457 visas into Australian business is the result of skilled labour shortages. They note that temporary migration flows under this visa are uncapped and there are no limitations on renewals. There is no requirement upon Australian business to undertake any labour market testing to see if Australian residents are available to do the work (Kinnaird 2006), or to invest in training home labour prior to sponsoring workers on temporary 457 visas (Toner and Woolley 2008). The 457 worker’s spouse and children may also come to Australia, with spouses gaining full work rights, and with subsequent applications for permanent residency being unrestricted. In addition, access to sponsorship and visa application confirmation has become faster with the availability of online submissions since November 2003 (Khoo et al 2007).

The ABS (2009a) indicate that ‘net overseas migration (NOM) can fluctuate considerably from year to year, and has been increasing in recent years’. At current levels (240<sup>th</sup>) NOM contributes about 60 per cent of Australia's population growth, outstripping the natural increase in the population since 2005. Skilled migration under the Subclass 457 visa currently accounts for about half of all migration to Australia (ABS 2009a, Phillips and Spinks 2011).

### **Temporary skilled migrant needs**

Pertinent social issues identified in the literature include: proficiency in English (Toner and Woolley 2008), exploitation of workers with wages that don't have parity with the workers of the host country (Deegan 2007, Oke 2010), the skills transfer from migrants to Australian workers (Brooks, Murphy and William 1994, Toner and Woolley 2008), the reciprocal impact on training for Australians (Hugo 2006, Toner and Woolley 2008), the employment levels of Australian residents (Richards 2006) and the impact of skilled migration on the countries of origin in that they incur a knowledge drain (Khoo, et al 2007, Wickramasekara 2003). There is also a vast international literature on the underutilisation of migrant skills by the host country, particularly when English is not the migrant worker's first language (for example, Misztal 1999, Mattoo, Neagu and Ozden 2008, Huber, Landesmann, Robinson and Stehrer 2010). Finally, Piper (2009) argues that much literature on temporary migration concentrates on economic development opportunities for the host country and that the significant social implications also require consideration.

Workers employed under the temporary 457 visa require a range of social supports when working and living in Australia. Although they are expected to have vocational English proficiency (DIAC 2009), a significant number of these workers' families do not speak English. Toner and Woolley (2008) acknowledge migrants need time to become proficient in English, to familiarise themselves with work routines, requirements and safety standards; especially since the work environment in Australia may differ from that in their mother country. Strutt (2009) reported that the number of non-English speaking children on temporary 457 visas in WA State schools had risen 30% between November 2008 and February 2009 to 2 053 children. Of that number 1 200 children were unable to access special English tuition due to their difficulty in funding the estimated \$10,000 cost per child. Deegan (2007) reported that there were also instances of exploitation of workers on temporary 457 visas including equity in wages and conditions. The federal government has gone some way in addressing this issue in that the current rules around engaging workers on temporary 457 visas must be paid the same as an Australian worker. Workers of temporary 457 visas are expected to work in employment that is reflective of the skills they were brought to Australia for. This requirement can result in the worker tied to an employer. Although they can change employers, they can only stay in Australia without employment for 28 days before they must leave the country. Oke (2010) noted that under this arrangement these workers have limited ability to change employers and this is an issue if the relationship is an exploitative one. Oke (2010: 72) states that ‘temporary lower-skilled migration is often a way to access workers who will do work locals do not want to do’.

### **Advancing knowledge**

There is much debate in the literature regarding the issue of ‘skills transfer’, where the introduction of migrant workers subsequently generates increased opportunities for Australian workers. Brooks et al (1994) argued that skilled temporary workers actually increased employment opportunities for Australian residents. However, Toner and Woolley (2008) counter by noting that it is the absorptive capacity of the business that determines the extent of such skills transfer. It is questionable how much

skills transfer occurs between workers on temporary 457 visas and the Australian residents given that much of this transnational workforce sources work in the countries that need them temporarily and don't remain in Australia (Wang and McLean 2007). Hugo (2006) identified the central training dilemma when he questioned the extent to which any increase in workers on temporary 457 visas substitutes and competes for investment in Australian education and training by government and employers. Toner and Woolley (2008:47) go further, asserting that in Australia 'if temporary migration, in effect, operates as a parallel system to supply skilled labour then there are likely to be consequences for the traditional apprenticeship training system'. This view is supported by Richards (2006) who argues that large increases in workers on temporary 457 visas numbers have been matched by a fall in employment levels of Australian residents. Additionally, a significant proportion of workers on temporary 457 visas are employed by Australian labour hire companies. Hall and Bretherton (1999) maintain that while labour hire companies sponsor large numbers of workers on temporary 457 visas, they are not large providers of formalised training for their labour pool, and lack an incentive to invest in training for workers who are not their direct employees.

While this dynamic of importation of skilled migrants on a temporary basis may exacerbate a lack of investment in domestic training, it also has reciprocal implications for the countries of origin. Khoo et al (2007) offer a global consideration with regards to skilled emigration. They noted that highly skilled workers are disproportionately more likely to leave developing countries to meet the demand for human resources in knowledge economies. They warn that few developed country governments are concerned about the impact of skilled migration on the countries of origin. Wickramasekara (2003) stated that skilled migration from poor countries can be a major impediment to the country's future economic growth as they encounter a 'knowledge drain'.

### **Economic benefits of using skilled migrants**

Labour economic theory suggests that migration benefits the overall economy provided that the migrants' skills are complementary to those of the host country (Borjas 1995). However, Dunstmann and Preston (2006) argued that, if migrants consume more public services than local residents, this may be perceived as a disadvantage as it may create tax burdens for the host country. Although Australian evidence indicates that even migrants with limited skills integrate into the local economy during their first three years (Matuteau and Junankar 2007) there could be an effect on the countries social and economic stability due to the rapid economic growth and the transiency of a workforce that includes workers on temporary 457 visas (Lawrie, Tonts and Plummer 2011).

In the labour economics literature, there is evidence suggesting that migration can improve the well-being of a host society because migrant workers contribute to the capacity and functional fluidity of the host's labour market. Additionally, migrants can increase the aggregate demand for goods and services which in itself leads to job creation and income for the host country (Nannestad 2007). In addition, there are mixed views about when migrants cease to be defined by their move and become part of the local community (Burnett 1998). Despite the perceived economic benefit of migration, evidence based on US data suggests that there is only a small net gain from migration. Borjas (1995) reported that the estimation of migration attributable surplus was only 0.1% of the US's gross domestic product. Furthermore, Nannestad (2007) argued that the economic contribution of the migration surplus in 1998 was about \$30 per person born in the US. However, small contributions to economic growth may act as growth triggers and once embedded contribute a growing annual impact.

### **Stakeholder narratives on skilled migration**

In order to understand the broader context of our forthcoming study we have conducted a detailed scan of the ‘data’ of recent media releases, press stories and social network statements during the early months of 2011 and again in March 2012. The following sections use selected quotations to highlight key stakeholder perceptions of the impact of workers on temporary 457 visas on Australian business, the economy and the community. We have chosen to look at this data using the concept of narrative. Narratives are “stories” through which social actors make sense of their social experience (Lawler 2002, Mumby 1987, Soderberg 2006). However, they are not simply random stories built around factual accounts of a particular event or series of events. Narratives are ‘social products’ embedded in social, historical, cultural and we would add political locations in society (Lawler 2002:242). Social and political narratives have an identifiable “voice” and work in the interests of particular perspectives (Soberberg 2006). For the purposes of this paper, we identify narratives from the “texts” drawn from current media articles and blogs written and distributed by key stakeholders in response to the topic of using workers on temporary 457 visas in Australia to address the labour shortage.

We identify key stakeholders in the debate as the regulators, i.e. the federal government and its agencies concerned with monitoring workers on temporary 457 visas; business represented by employers and their representatives; community groups represented by support agencies; and migrant workers. Our convenience sample (Tharenou, Donohue and Cooper 2007) of media releases and blogs has been selected to represent the various views of these stakeholder groups. We used content analysis (Tharenou et al 2007) to organise the textual data into general themes in relation to the views of each stakeholder group. In addition we checked for what was ‘not said’ - the silences and the untested assumptions evident in the texts (Potter and Wetherell 1987).

### **Federal Government responses**

The Federal government is under increasing pressure to ensure an adequate number of skilled workers that will support growth in the resources sector. The Chamber of Minerals and Energy’s Growth Outlook Study (CME Media Release 14/09) forecasted that WA resource companies will require an additional 38 000 workers by 2016. However, the Australian Government’s Skilled Migration Program remained at 168 700 places in 2011 with skilled migration places, including those on temporary 457 visas, set at 113 850 ([www.migrationexpert.com](http://www.migrationexpert.com)).

Recent studies suggest that the outlook for Australia’s economy is positive since the country introduced skilled migration programs. A study conducted by McDonald and Temple (2010) predicted that by the year 2050, a rise in the number of migrants in Australia could increase the size of the Australian economy. Table 1 shows that Australia’s GDP growth is predicted to surge by 263% if the number of skilled migrants increases by 300,000 in 2050. This is almost 2.4 times the current GDP growth rate and assumes there are no additional migrants entering Australia in these years. Similarly, the surge in skilled migrants could lead to a growth in GDP per capita in 2050. In addition, the Department of Immigration and Citizenship (DIAC, April 2011) projected that the 2009-10 Permanent Migration Program contributes around \$880 million to the Commonwealth Budget in the first year and \$1.2 billion after 10 years. They reported that the migrants under an ‘Employer Sponsored’ visa have the most significant impact on the Federal Budget. Their contribution to the Budget was \$417.4 million to in 2009-10 and it is projected to rise to \$475.7 million in 20 years time.

**Table 1. Projection of migration effects on Australia’s economic growth in 2050**

<i>Number of additional migrant intakes per annum in 2050</i>	<i>Annual gross domestic product (GDP) growth rate (%)</i>	<i>Annual GDP per capita growth rate (%)</i>
0	108	72.6
100,000	160	79
180,000	202	83
300,000	263	87

**Source:** The figures above are extracted from McDonald and Temple (2010) study.

**Note:** The forecast is based on the 2009 statistical data. The authors did not take account of the measure of Australians' wellbeing.

The Productivity Commission (2006) which is responsible for monitoring the workforce skill needs of organisations views skilled migration, including workers on temporary 457 visas, as a mechanism to meet labour demands in a positive frame:

Australia's migration program is increasingly focused on skilled migration, which is generally improving the labour market outcomes for immigrants... there are economy-wide consequences that can offset the labour market effects of immigrants. Migration contributes to the economy in many ways. As well as the upskilling of the workforce, economies of scale and the development of new export markets would further add to the economic benefits of migration.

Philip Bullock, Chair of Skills Australia, stated that "a targeted skilled migration program is, and will continue to be; very important in ensuring Australia has the skilled workforce it needs for our future economic and social development and prosperity" (Skills Australia 2010).

In 2012, the current Minister for Immigration and Citizenship, Senator Chris Bowen stated that "Skilled migrants deliver major benefits to the Australian economy in terms of contributing to economic growth and offsetting the impacts of an ageing population" (Bowen 2012).

The positive view of supporting skilled permanent and temporary migration in Australia is also shared by the then Minister for Immigration Senator Chris Evans (2008). He focused on the need to match migrant skills with specific jobs:

"Foreign skilled labour is an important driver of economic growth and contributes to increased productivity and labour force levels. It also benefits migrants by ensuring they have a job with a direct match to their skills on arrival in Australia" (Evans 2008).

Changes to individual state and territory migration plans allow nominated migrants' applications (those workers with skills that are in shortage in Australia) to be processed ahead of applicants for independent skilled migration. New applicants who fit these criteria will be processed in 12 months, instead of the traditional three year wait.

Senator Evans prefaced his previous comments with the note that young and newly trained Australians must be given the opportunity to fill job vacancies before using skilled migrants. However, is this practice of Australian business?

"There are plenty of occupations where there is adequate supply of young Australians coming through our schools, TAFE colleges and universities to take up new job opportunities. They must be given the opportunity to fill these vacancies first" (Evans 2008).

November 11, 2010 saw the introduction of a new Skills Migration Point Test to assess independent skilled migrants as part of the Gillard government's ongoing reform of the skilled migration program. The new points test emphasises the importance of English language proficiency,

work experience and high level qualifications and favours professional aged between 25 and 32 (DIAC, 2011). However employer-sponsored visa categories (Subclass 457 visas) are not affected by changes to the points test (Bowen 2012), except that employers in regional areas will no longer be able to directly sponsor overseas workers in some tourism, clerical and agricultural occupations (Ridout, 2010).

Tertiary and Further Education (TAFE) Directors Australia is critical of the Federal Department of Immigration and Citizenship releasing the new point test without “adequate industry review, no Parliamentary comment, and has sought to abandon the accredited training for points model” (TAFE Directors Australia 2010). The Chief Executive of TAFE Directors Australia states that “It is clear the new ‘Points Plan’ will have a severe impact on Australian industries, especially sectors such as building and construction and national infrastructure” (TAFE Directors Australia 2010). The fear is that new plan is discriminatory against those under the age of 25 as well as those completing a VET qualification rather than professional degrees.

In 2012, the Minister for immigration and Citizenship, Senator Chris Bowen announced the intention of providing easier permanent settlement for workers on temporary 457 visas.

“The Government will establish a fast-tracked pathway from the temporary skilled subclass 457 visa to permanent residence under the employer-sponsored visa program, enabling skilled migrants to settle and work in regional and metropolitan Australia. We know these workers can do the job and are ready to make a commitment to Australia, so it makes sense to streamline their pathway to permanent residence” (Bowen 2012).

### **Business responses**

Several of the blogs in this section of the paper appear on social media sites under pseudonyms and have therefore been referenced as ‘Anonymous’; however links to these sites appear in the reference list. One response from the business sector is that of clear support for sufficient numbers of skilled workers to enter Australia.

“A steady supply of skilled workers will help prevent a wider labour drain from other sectors. It’s important to understand that we are confronted by a lack of workers with specific skill sets – not a general labour shortage” (Howard-Smith 2011).

Another cites significant success in hiring engineers from countries other than Australia. Ian Little, senior managing engineer at Worley Parsons has hired many overseas professionals and states that “They bring new skills not available in Australia, and support our international operations with their knowledge and language skills” (Logan, 2009).

However, an opposing view was held by the Unions in Australia in 2009 when they called for a severe cut or complete halt to temporary skilled migration in trades and construction until the financial crisis recedes. The Construction Forestry Manufacturing Energy Union leader John Sutton at this time said “the need for migrants on “457 visas” in construction, forestry, mining and energy had dried up” (Arup 2009).

Business operators in Australia were also supportive of an additional source of ‘cheap’ skilled labour although they countered with the argument that skilled migrants are not an avenue for underpayment of wages:

“Cost of doing business in Australia is very high and with cheap labour in Asian countries giving well developed countries very hard times to compete in the global market, it would be good to have a strategy in order to increase labour to reduce the operational cost of business. In fact, 457 visas would be the best way for the Government to go with” (Anonymous 2011).

“The scheme is not meant as a sop to lazy or underpaying employers. I would have to disagree the scheme is specifically designed to reduce the employment costs of employers” (Anonymous 2011).

Organizations such as the Leighton Group have tackled the insufficient supply of skilled labour in Australia by establishing training institutions in overseas countries. They are training large numbers of workers with the view to encourage them to apply for a temporary 457 visa so as to work on Australian mining sites.

“Austrade is championing the idea of Australian vocational training courses in Indian workplaces and institutions, and eventually an India-based Australian mining and engineering college, with the capacity to train as many as 100,000 Indian workers annually” (Hodge 2011).

The issue of cultural assimilation for skilled migrant workers in the Australian community is highlighted by the comment of a business operator who regularly uses overseas workers on temporary 457 visas.

“The Indian was hardworking, no problem with taking orders from female, works well with the Pakistan in the team but the only problem we have from him is his learning capacity. While he's quick to pick up, he's also quick to lose it. He also has a tendency of passing the buck. As for the Chinese, he's a developer turn BA, very keen to learn but has difficulties in understanding why things are done certain ways and he's not very good with stakeholders (he can work things out, but can't explain to business)” (Whirlpool Forum 2008).

Further, navigating through the paperwork to access skilled migrant workers using temporary 457 visas is difficult for businesses. They rely heavily on migration agencies. One supplier of skilled migrant labour, Adecco's director of marketing and communications for Australian New Zealand, Rick Khinda said

“Many employers desperately require foreign staff to fill positions which cannot be taken by Australians but didn't have the time or the resources to invest in the current process. But with Adecco acting as a go between for the companies, there will be much more opportunity for more people to move to Australia and successfully find permanent jobs. I think there will be a slow increase in the 457 visas, but I don't think there is going to be a big rush because you do have to position yourselves appropriately to obtain the license. It will take some time before it happens” (Mark, 2012).

### **Community response**

The response from members in the community show there is uncertainty of the barriers that the changes to the requirements for skilled workers will have on the numbers migrating temporarily to Australia on 457 visas. Requirements include proficiency in the English language.

Many in the community are concerned about the stress that increased migration will have on Government services such as infrastructure (roads, water supply, schools and hospitals). It is interesting that one McKinley (2008) also raised the concern of increased population on rising carbon emissions.

“The current levels of Immigration are unsustainable. Governments are not keeping up with the increases in population. Hospitals, schools, roads and traffic, water, and other Government services are stretched to the limit, all because funding has not been increased to meet demand. As well, an increase in population will equate to an increase in our carbon emissions” (McKinley 2008).

Others in the community are concerned that training Australians will fall short with the easier access to skilled migrant workers from overseas. Tham (2011) argues that

“While the Government has rightly introduced a range of training requirements, these fall short of a rigorous regime. There is (still) no general requirement under the 457 scheme to demonstrate that local workers are not available to perform the job to be done by the 457 worker”.

An anonymous blogger agrees:

“I am alarmed at the level of unemployment or underemployment of our young people who are not getting training to fill the so-called skills shortage” (Anonymous, 2011).

This issue is echoed by two Australian workers who have found it difficult in recent times to find work:

“I’m a tradie from Brisbane and can tell you all that there is no shortage of skilled labour just a shortage of honest decent paying employers. The construction industry is experiencing a slow period and approvals are dropping all over Australia so instead of another round of stimulus spending how about retraining already skilled tradesmen to fill these jobs in the mines instead of trying to import cheap labour from overseas” (Anonymous, 2011).

“Unemployed tradesman for 5 years now. Job network providers will not help you if you are a white tradesman. I sit on the dole and waste away” (Anonymous, 2011).

### **Migrant workers response**

The Federation of Ethnic Communities’ Council of Australia (FECCA) acts as a voice for migrant workers. FECCA welcomed the skilled migration program reform:

“Parts of the previous Skilled Migration Program have met neither the economic needs of our nation or the settlement aspirations of skilled migrants themselves. Many skilled migrants have found themselves in unskilled jobs diminishing their migration experience. While welcoming these changes, FECCA also calls on the Government to ensure that it is addressing workforce discrimination that may affect skilled migrants. Greater employer education and programs that encourage that encourage workplace mentoring, work experience and workplace training are needed here” (Migliorino 2010).

However several bloggers have highlighted the difficulty that skilled migrants have when seeking work in Australia and this would be an issue for skilled migrants on temporary 457 visas if they sought to change employer through the course of their sponsorship.

“I’m a newly skilled migrant seeking for a job in Melbourne and it seems there’s no chance for the ones like me. Recently been a junior project manager in a huge GSM operator with 25m subscribers in the former country but I rapidly realized that I cannot get even an entry position in telecom industry here. Even my good achievements in education with many scholarships in the university did not help” (Whirlpool Forum 2008).

Some skilled migrant workers have highlighted their frustration in working through the eligibility requirements, especially those that alter due to changes to the rules, to work in Australia on a temporary 457 visa.

“It is unfair to make applicants wait even longer when we are so close to the end of what is a most stressful experience and have already spent thousands on medicals, police clearances and other associated costs which will now go to waste and probably have to be redone. Many of us have been involved with the immigration process for very long periods, some close to two years or more. Each time we get close to getting our visas, the rules change and our families are placed under further undue stress and we have to continue living in limbo” (Australia and New Zealand Posts, 2009).

Finally, one blogger argued that when workers on temporary 457 visas arrive in Australia they are often left to assimilate on their own and that it is the ordinary Australian in the community who takes these people under their wing.

“When new people arrive, they need a community to settle into. Communities don’t just form, they take a bit of time and effort. It is you, me, and the bloke next door that provide that” (Anonymous, 2011).

## **Conclusion**

Despite the projections of the positive contribution of skilled migration to Australia’s economic growth, many of the forecast models within government reports have neglected: the social costs of welfare for skilled migrants on temporary 457 visas, the implications of skill ‘poaching’ from underdeveloped nations, the reduction in opportunities for young Australians, the transfer of skills from migrants to Australian workers given the temporary tenure of workers on 457 visas in Australia, and the displacement of industry engagement with training schemes. Conversely, little has been formally estimated about the loss of opportunities that would occur if projects are slowed or cancelled in Australia due to labour shortages. The debate continues about sustainable populations, the relationship between expanding industry and the development of social infrastructure. However the arguments do not appear to be well made and lack an evidence base. The deficiencies of existing models will continue to provide incomplete scenarios and therefore inaccurate forecasts that do not fully explore the broader implications of temporary skilled migration programs on the future Australian economy and social structure. It is of course difficult to produce an accurate forecast about the economic and social implications of different decisions due to the number of interrelated and uncontrollable factors involved. However, it is increasingly necessary to inform current debate through exploring stakeholder attitudes and generating econometric predictions, to avoid erroneous arguments taking centre stage. As Van Olsen (2011) indicated; the flooding of polarised arguments with ‘rampant untruths’ eventually kills necessary and useful public debates if they are allowed to flow unheeded and unchecked. Rhetoric and polemic should be displaced by evidence-based debate, especially in this case.

Our 2012 study will provide data to inform discussion based upon the knowledge platform presented in this paper. Meanwhile it is worth reflecting that in a nation built by migration, the ebbs and flows of the past have often been driven by immediate national needs, rather than a crafted policy. The debate may turn more towards determining the appropriate numbers, rather than attempting to politically validate the need.

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