

'SPECIALIST' TEMPORARY RESIDENTS - WHAT'S HAPPENING?

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Australia's Temporary Entrant intake is composed of Visitors (including Business Visitors), Students and Trainees, and Temporary Residents. Our concern is with the last category, which is divided into four sections labelled Skill, Social/Cultural, International Relations, and Other.

The focus here will be the Specialist visa category, one of the several comprising the Skill(ed) Temporary Resident area. The Specialist category holds significant potential for impacting upon domestic labour-market opportunities because it is large, is closely associated with the operations of transnational corporations in Australia, and can deliver significant concentrations of professional and other personnel into the Australian labour market.

For this category, as with the other Skill(ed) temporary visa categories (Executives, Educational and Medical workers), the nature of the work performed, the employer, and the period of employment are all specified in advance. The Australian Government has stated that a principal goal of the Skill category is to ensure the availability of professional, trade, technical, or other specialist skills in short supply, or which cannot be readily obtained in Australia. During the latter half of the 1980s, this aim became associated with the Government's desire to facilitate economic growth and technology transfer. From November 1987 to December 1989,

the Skill section was designated the Skills Transfer Scheme. The principles guiding the program include:

- i) ensuring that Australian residents and permanent residents have first priority in employment opportunities,
 - ii) that skills/knowledge be passed on to local workers, so that temporary residents are eventually replaced,
 - iii) that local talent be enriched, and that Australians enjoy a net employment benefit,
- and,
- iv) that such entry should not incur social or economic cost to the Australian community.¹

In line with these principles, sponsors of temporary residents are required to satisfy criteria concerned with labour-market testing, training, and the national benefit. However, in November 1987 labour-market testing for Specialists was waived for all entrants in this category except those seeking temporary residency of 12 months or more.

What are the recent trends in Specialist Temporary Resident intake? Are basic program goals being met? And, are labour-market protective principles being implemented?

LABOUR-MARKET TESTING

For the period 1991/92, the Department of Immigration, Local Government and Ethnic Affairs (DILGEA) produced hitherto unavailable data indicating the duration of stay of temporary residents entering through the Skill section. This covered Specialist visas from the U.S., Japan,

and the U.K., which together comprised more than 60 per cent of the 1991/92 issue. A clear majority of Specialists from these countries entered for periods of less than twelve months and therefore were not 'directly' labour-market tested. Such testing would have required advertising to gauge the local market. That so few are tested in this way is inconsistent with recent reassurances that skilled temporary entry is labour-market tested.² DILGEA claims that in the course of processing applications its officers do assess the impact of these short term visas on the local labour market. However, the adequacy of this assessment is questionable. Although not infallible, 'direct' testing is certainly a more demanding requirement. As Specialists are by far the largest visa category within the Skill(ed) Temporary Residency section, the fact that so few are 'directly' labour-market tested raises serious questions as to whether the program's domestic labour-market protection principles have been met. For example, 1801 engineers were issued visas as Specialists from the U.S., Japan,

and the U.K. in 1991/92. Only 14 per cent of these entrants were labour-market tested. Yet, there is a serious oversupply of engineers in Australia.³

Table 1 shows the duration of stay for Specialist temporary residents coming from the U.S., Japan, and the U.K. In particular, Table 1 highlights the share of Specialists from each country whose admission was subject to 'direct' labour-market testing in 1991/92, that is those who stayed more than 12 months. As indicated in the table, this group involved 18 per cent of all entrants from the three countries. In effect, nearly 80 per cent of Specialists from these countries did not have to face such testing. If 'direct' labour-market testing had been required for those staying for more than four months, as was the case prior to November 1987, then nearly 60 per cent of these Specialists would have been tested in this way.

This low level of 'direct' testing puts in doubt the technology transfer expectations associated with the Skill(ed) Temporary Resident program. There is no assurance that technological and organisational

**Table 1: Duration of stay and visa policy:
Specialist temporary residents, 1991/92**

Duration of visa (months)	Country of origin (%)			
	U.S.	Japan	U.K.	All 3 countries
1-4	23	67	50	41
4-12	59	18	29	41
> 12	18	15	21	18
Total	100 (4023)	100 (2372)	100 (1605)	100 (8000)
Legislative context	Subject to Labour Market Testing (%)			
Pre November 1987	77	33	50	59
Post November 1987	18	15	21	18

Source: unpublished DILGEA material.

expertise not already available within the Australian economy is being introduced, let alone transferred once it is here. Without 'direct' testing, and adequate monitoring to ensure that a transfer of skills and knowledge does occur, sustained flows of skilled temporary residents may represent the opposite trend: that is skills and knowledge dependence on foreign sources.

JAPANESE 'SPECIALISTS'

Table 2 shows the general trend in Specialist new visa issue in the years 1990/91 and 1991/92. There has been a recent decline, undoubtedly reflecting the recession. Nevertheless, the numbers are still large, and where concentrated in particular industries can have a significant impact in the local labour market. I will illustrate the point with an analysis of segments of the Japanese movement.

We explore the experience with travel industry employees from Japan, a category which has featured in recent public debate about temporary entry. The DILGEA data enable us to explore this intake in more detail than hitherto. As indicated in Table 2, Service Occupation entrants dominate the Japanese figures. Detailed breakdown by the Australian Standard Classification of Occupations (ASCO) indicates that these entrants are predominantly 'travel stewards' and 'travel agents'.⁴

The Japanese Specialist intake indicates something of the strong 'vertical integration' of Japanese personnel in the tourism industry. For 1990/91 and 1991/92, new visa issue for Japanese 'travel stewards' and 'travel agents' together was 3487 and 1536 respectively.⁵ These two occupations alone represented 61 per cent of Japanese Specialist new visa issue in 1990/91,

and 65 per cent in 1991/92. Approximately 96.6 per cent of the 1991/92 issue in these two categories was for a length of stay of 1 to 4 months and therefore not subject to 'direct' testing.

The entry of Japanese 'tour guides' became a matter of controversy during 1992, when the Japan Tours Wholesalers Committee of Australia approached the Federal Government asking for a relaxation of the conditions of entry for a core of temporary resident Japanese tour guides. The Committee argued that the Japanese tourism industry in Australia was having serious difficulty in providing sufficient numbers of tour guides. Factors cited were the rapidly increasing flow of Japanese tourists, length of stay restrictions on temporary residents, and the insistence by Australian authorities that Japanese guides be eventually replaced by Australians. The Committee also claimed that Australian graduates majoring in Japanese who wanted to work in the tourist industry had poor language and 'cultural skills'.⁶

Australian press coverage in June 1992 indicated that an agreement was imminent which would relax length of stay and local labour-force requirements for Japanese tour guides. Negotiations to date have focused upon the establishment of an Industry Agreement between the Commonwealth, unions, and the industry. This would probably have allowed the entry of around 500 appropriate Japanese personnel, permitting them a longer period of stay than usual, but with the qualification that the industry employ resident Australian Japanese-speaking Technical and Further Education graduates trained in tourism. Funding for such training was announced by

Kim Beazley in November 1992; it is to be provided at no cost to the tourism industry.

At present, negotiations have stalled. One factor appears to be that Japanese negotiators are reluctant to accept a commitment to this local labour-market requirement. Recent Department of Employment, Education and Training fieldwork indicates such a reluctance. Cultural proficiency was deemed lacking in Australians, and there was a preference for Japanese workers on the basis that they accepted work practices unattuned to the norms of Australian industrial relations.⁷

A related reason is that the Japanese are hoping that a new Coalition Government following the 1993 federal election might strengthen their negotiating position by removing unions from negotiations. However, the Japanese may be mistaken. In November 1992 the Shadow Minister for Immigration and Ethnic Affairs, Philip Ruddock, expressed concern at the vagueness of the Government's commitment to training Australians for the industry, and at the small number of Australians to be trained in relation to the overall numbers of tour guides requested by the Japanese.

By November 1992, the Australian Government was being accused in the Japanese press of being 'emotional', unrealistic, and of having withdrawn from an agreement entailing special visa provision for workers in tourism. Further, concerns voiced in the Australian press that the entry of large numbers of Japanese tour guides may be costing Australians work opportunities, were characterised as 'Japan bashing'.⁸ In the influential *Nihon Keizai Shimbun* in February 1993, the Australian Government's 'refusal' to

allow in Japanese tour guides was cited as a deliberate rejection of a major opportunity for economic development.⁹

There appear to be serious implications, arising from this intake, for the integrity of other temporary entry visa categories. Comments of Japanese tourism industry representative, Mr Nagatani, quoted in the Australian press in June 1992, indicate that Japanese working holiday makers (WHM) have been employed in the tourism industry as tour guides.¹⁰ This would not necessarily involve a breach of Australian immigration regulations, so long as employment remained incidental to holiday activity, engagement with any one employer did not exceed 3 months, and the overall stay did not exceed 12 months. However, Japanese press coverage has indicated that Japanese WHMs have been utilised in breach of Australian visa conditions.¹¹ Given this admission, an important question follows. Has the utilisation of Japanese WHMs in the tourism industry been organised or prearranged? Such a systematic breach would be inconsistent with the international relations rationale of the WHM program, and the specific requirement that work remain incidental to the visit.

A final question concerns the apparent precipitous drop in new visa issue for 'travel stewards' and 'travel agents' in 1991/92 (1536) compared with the previous 12 months (3487). In Table 2, this drop can be seen in the decline in new visas issued under Service Occupations, a grouping dominated by these two occupations. This drop is difficult to reconcile with the recent Japanese demand for special visa conditions, and the sustained flow of Japanese tourists to Australia.

Table 2: Specialist Category, new visas issued by selected country by occupation

General occupational category	1990-91						1991-92					
	US		Japan		U.K.		US		Japan		U.K.	
	#	%	#	%	#	%	#	%	#	%	#	%
Prof. medical & related worker Medical & para-medical	71	1.4	6	0.1	143	6.0	41	1.0	1	0	32	2.0
Engineering & science	1194	24.2	1246	23.3	660	27.6	1095	27.2	394	16.6	499	31.1
Business & commerce	2273	46.0	227	4.2	913	38.2	1624	40.4	107	4.5	617	38.4
Other professionals	455	9.2	169	3.2	284	11.9	532	13.2	71	3.0	198	12.3
Technicians	423	8.6	3	0.1	81	3.4	388	9.6	12	0.5	62	3.9
Clerical, commercial & administration	137	2.8	38	0.7	21	0.9	90	2.2	64	2.7	43	2.7
Trade & manual workers ¹	369	7.4	149	2.7	273	11.4	232	5.7	143	6.0	148	9.1
Service occupations	19	0.4	3506	65.6	16	0.7	19	0.5	1580	66.6	6	0.4
Total identified occupations	4941	100	5344	100	2391	100	4021	100	2372	100	1605	100
Occupations missing ²	617		345		529		2					
Total	5558		5689		2920		4023		2372		1605	
Total specialists entering Australia from all countries	19474						12053					
Percentage of total specialists	25.5		27.6		12.3		33.6		19.8		13.4	

¹ Trade & manual workers include rural workers, skilled building & construction trades, skilled metal & electrical trades, other skilled trades, semi-skilled workers, unskilled workers and rural workers.

² Occupations missing indicates the number of temporary entries which do not match the standard ASCO occupational categories. ASCO occupational codes for these years have been allocated under the earlier 'workercode' general categories for the sake of comparability.

Source: DILGEA: based on New Visa Issue data. Percentages have been rounded.

Nothing conclusive can be said at this time to explain this, other than to recognise that in the past a bleeding from one visa category to another appears to have occurred with Japanese entry within the Skill section. Perhaps this is happening again. The decline in Specialists coincides with a recent increase in the Business Visitor category from Japan.¹² This category had grown from around 3500 in the early 1980s to more than 9000 in 1985/86. It rose further to more than 17,000 in 1988/89, but subsequently declined in 1989/90 to 13,736. It revived to 16,628 and 17,598 visas issued in 1990/91 and 1991/92. This is surprising given the contraction of Japanese foreign investment globally during the 1991/92 period, and in Australia in particular. Are Japanese tourism personnel requirements being satisfied through this category? If they are, this would involve a very liberal interpretation of the category's intention and regulations. It could mean the Business Visitor category is being utilised as a means of avoiding Australian labour-market commitments associated with the Specialist category.

The Australian Government is justified in taking a tough stand with the Japanese on these issues, and further investigation into the travel industry is needed.

References and Notes

- ¹ Department of Immigration and Ethnic Affairs, Instruction Document 1506, 1987, pp. 2-3
- ² Sloan, J. & Kennedy, S. *Temporary Movements of People to and from Australia*, Bureau of Immigration Research, Melbourne, 1992, p. 61
- ³ Birrell, Healy, E. & Smith, T.F. *Migration Selection During the Recession*, Canberra, Parliamentary Research Service, 1992
- ⁴ The ASCO code structure consists of an extensive list of discrete occupational definitions arranged in eight general groupings according to skill level/type of work.
- ⁵ In the occupational structure presented in Table 2, Travel Agents and Travel stewards are two of a group of specific occupations classed together as Service Occupations.
- ⁶ *The Age*, 'Canberra Likely to Waive Rules for Japanese Tour Guides', Melbourne, 3.6.92, p. 5
- ⁷ Department of Employment, Education and Training, *Preliminary Analysis of the Labour Market for Japanese-Speaking Tour Guides in Australia*, 1992, pp. 8-9
- ⁸ *Asahi Shimbun*, 'Friction Between Japan and Australia Over Tour Guides', 1.11.92, p. 31
- ⁹ *Financial Review*, 'Corporate Australia "sluggish and myopic"', 17.2.93, pp. 1 & 9
- ¹⁰ *The Age*, loc. cit.
- ¹¹ *Asahi Shimbun*, loc. cit.
- ¹² Business Visitor class (662) - This class: Primarily to allow for the entry of people to undertake business negotiations and discussions, including company familiarisation and in-house training. Engagement in work which might otherwise be done by an Australian resident is precluded.