

22 July 2020

Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

RE: Inquiry into the Working Holiday Maker program

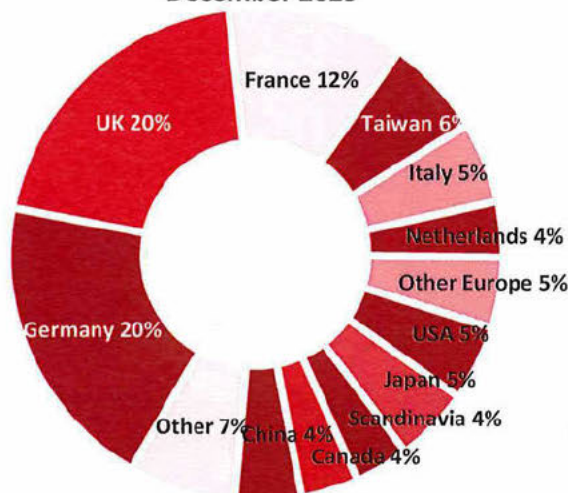
WHM Contribution to the South Australian Visitor Economy

Working Holiday Maker (WHM) visa holders made a significant contribution to the South Australian economy prior to the COVID-19 pandemic.

For the year ending December 2019 there were 488,000 international visitors to South Australia who spent an estimated \$1.2 billion. Of these visitors approximately 27,000 were holders of a WHM visa, who contribute from a tourism, labour and skills perspective.

The largest source of working holiday makers come from Germany and the United Kingdom; these two markets make up 40 per cent of all working holiday makers.

**Origin of working holiday makers
December 2019**





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Contributions of WHM

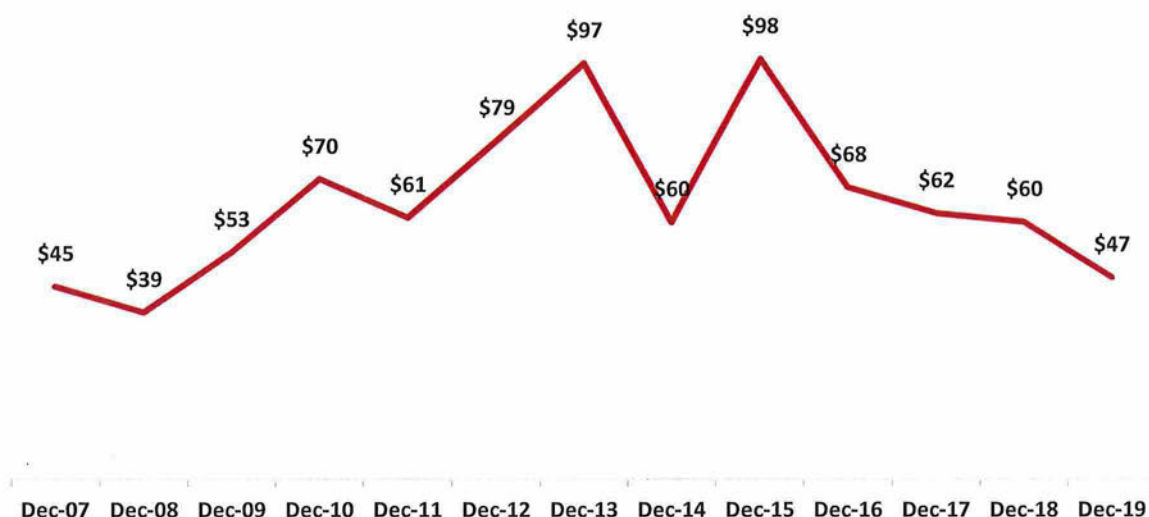
One of the most important attributes of WHM in terms of their contribution to the Visitor Economy is their long length of stay and the extent to which they disperse deeply into regions, contributing to local economies that are often reliant on boosts from tourism.

Significantly, WHM visitors stay an average of 35 days in South Australia, compared to the average length of stay for all international visitors of 22 days. This increased length of stay means WHM visa holders are more likely to disperse to regional areas throughout the State.

Working holiday visitor nights peaked in 2015 at 2.16 million with an average length of stay of 52 nights. Current results to December 2019 are the lowest on record at 940,000 nights.

The 27,000 working holiday makers to South Australia on average for the year end December 2019 spent \$47 million. This meant that each visitor on average spent \$1,733 per trip and \$116 per night. Working holiday visitor spend also peaked in 2015 at \$98 million with a low of \$39 million in 2008.

**Working holiday expenditure to South Australia Dec 2007 to Dec 2019
(millions)**



They also contribute significantly to local workforces often being a dominant source of labour for seasonal jobs like fruit picking in regional towns.

Working holiday makers contribute to various skilled and semi-skilled areas with the most prominent job being to work as a bar attendant, with 29 per cent undertaking this role. This is followed by working in child-care, with 15 per cent, and accommodation cleaner or room attendant, with 14 per cent. Retail/ sales follows with 7 per cent and waiter at 6 per cent.





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Declines in WHM numbers

The table below shows that in recent years WHM visa holders have consistently accounted for approximately 10 per cent of the total number of international visitors to South Australia. Although this has had a slow decline over the last few years.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
WHM VISITS (000s)	38	34	44	39	39	39	43	37	42	36	35	28	27
SHARE OF STATES VISIT	10.3%	9.3%	12.1%	10.3%	10.5%	10.1%	10.8%	9.8%	10.0%	8.2%	7.4%	6.2%	5.6%

Source: *Tourism Research Australia, International Visitor Survey December 2019*

Working holiday makers to South Australia peaked in December 2009 at 44,000 and currently sits at its lowest point on record. This compares to Australia where working holiday makers have increased from 181,000 in December 2007 to 308,000 in December 2019. Since December 2013 Australia has pretty much plateaued at just above 300,000.

Working holiday visitors make up 5.6 per cent of all visitors to South Australia. This is our lowest share, down from the high in 2009 where 12.1 per cent of all visits to South Australia were for the purpose of a working holiday.

Interestingly our share of the total working holiday makers to Australia has also fallen from a high of 21 per cent in 2008 to 8.8 per cent in December 2019.

Impact of COVID-19 on WHM Contributions

The above information indicates that WHM visa holders have the potential to significantly impact tourism in South Australia. For example, prior to COVID-19, a large proportion of citrus pickers in the Riverland tourism region were people on working holiday visas.

The COVID-19 pandemic has been significant especially where industries rely on the labour provided by the WHM market.

In regional South Australia, hospitality staff and food trade related occupations are in shortage and this continues to be an issue. WHM visa holders can contribute to addressing these shortages.

A review of the cost of the program and its requirements could assist towards ensuring Australia is a price competitive destination for international visitors. The Tourism Restart Plan, developed by the Tourism Restart Taskforce promotes the need to review working visas to assist travel, tourism and hospitality in the medium-term restart.





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COVID-19 has had significant impacts on the visitor economy in South Australia. Our path back to normality and profitability is dictated by easing of restrictions, including international borders. As international markets come online, visitation is likely to be led by two markets: those travelling to visit friends and relatives, and those traveling on working holidays. As WHM are a key opportunity in recovery from the impacts of COVID-19 on the visitor economy. They also provide significant word of mouth promotion to others who they encourage to travel and to experience all that South Australia has to offer.

Therefore, the SATC would like to see efforts to maximise the benefits of this market including:

- Ensuring access to the program for eligible people is clear and affordable
- Australia having competitive program requirements with other counties that attract WHM, to ensure Australia retains a strong cohort when recovery starts
- Consideration for WHM whose trip was impacted by COVID-19 restrictions to be able to access extensions or special considerations

Given the significance of WHM visa holders to South Australia, I appreciate the opportunity to contribute to the Joint Standing Committee on Migration Inquiry into the Working Holiday Maker program and look forward to seeing the outcomes of the Inquiry.

Yours sincerely

Rodney Harrex
Chief Executive
South Australian Tourism Commission

