
From: Simon Westaway
Sent: Friday, 11 September 2020 11:14 AM
To: Committee, Migration (REPS)
Cc: Leaser, Julian (MP); [REDACTED]
Subject: Request for Submission of Letter / Submission to the Joint Standing Committee on Migration - Working Holiday Maker Program
Attachments: ATIC Letter to Government WHM Final (3 Sept 2020).pdf

To the Secretariat,

On behalf of the Australian Tourism Industry Council (ATIC) I would like to add our recent correspondence into the Joint Standing Committee on Migration – Working Holiday Maker Program.

I am the Executive Director of ATIC. We are the largest by member national tourism body.

Whilst it was remiss that we couldn't provide a formal submission during the pre-Inquiry process, I have attached our recent correspondence to respective Federal Ministers.

If you see validity in our inputs and appearance at any future Inquiry hearings, please don't hesitate to contact me.

With regards.

Simon Westaway
Executive Director
Australian Tourism Industry Council

200 Alexandra Pde, Fitzroy VIC 3065



3 September 2020

Senator the Hon. Simon Birmingham
Minister for Trade, Tourism and Investment
PO Box 6022
Parliament House
CANBERRA ACT 2600

Cc: Hon. Alan Tudge MP, Acting Minister for Immigration
Hon. David Littleproud MP, Minister for Agriculture & Water Resources
Senator the Hon. Jonathon Duniam, Assistant Minister for Regional Tourism
Julian Leeser MP, MHR Berowra

Extend flexibility for Working Holiday Maker (WHM) Program to assist tourism communities

Dear Minister,

Thank you for your strong advocacy for Australian tourism during this incredibly difficult period for our industry as a direct result of the impact and collective response to the COVID-19 pandemic.

The extent of the damage to our industry was starkly documented by the just-released figures by Tourism Research Australia (TRA) with Australian tourism now being negatively impacted by at least 40 per cent to over \$54 billion due to border closures and restrictions.

Whilst ATIC did not provide a formal submission into the *Joint Standing Committee on Migration Inquiry for the Working Holiday Maker (WHM) Program*, our members have a strong, ongoing interest in the effectiveness and future direction of the WHM visa Program.

The WHM Program makes an important contribution to the Australian economy and community. Australia was the global pioneer of this innovative program, which has since been copied by other destinations, in recognition of the benefits it brings to destinations.

The positive employment outcomes and as well as the broader benefits to our tourism and visitor economy across regions and urban centres have been well-documented.

With our international border closed and as WHM visas expire, the numbers of backpackers within Australia is now in steady decline and is putting further downward pressure on the tourism industry. This is particularly the case in terms of its impact for tourism businesses like hostels and specialist backpacker accommodation, bus and transport offerings that specially cater for backpackers, through to tourism centres and regions that receive strong volumes of these high-valued tourists.

Backpackers within the WHM Program have long-demonstrated their propensity to travel extensively throughout Australia, integrate well and take up hard-to-fill roles across key regional industries namely in agriculture and horticulture, hospitality, retail and, of course, tourism.

The Program's annual economic value pre-COVID has been estimated by TRA at \$3.2 billion with 308,000 Working Holiday Makers accumulating 46 million visitor nights during 2019.

It is ATIC's argument that the COVID-19 pandemic circumstances requires even greater emphasis to retain existing WHM visitors both as valued guests as well as contributors in our country ahead of a future plan to rebuild and regenerate this invaluable program.

In association with



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ATIC welcomes the recent extensions for the WHM Program against the current arrangements due to COVID. To that end we are seeking for first year WHM visa holders to be considered for a second-year extension on the same terms of conditions. For second-year WHM visa holders an extension could be the same as for year one on the same terms and conditions. In the area of extension this should also importantly allow a WHM visa holder to work within tourism and hospitality including those are currently receiving a WHM extension, including in their third (3rd) year.

There is an opportunity for a renewed, proactive approach to encourage future WHM visa holders to travel to and seek employment in areas where the most benefit for the communities could be generated. In particular this is around the best-use of the third-year extension (provided 6 months of specified work within regional areas is completed on a second-year visa) and include the ability of WHMs to work in critical industries like tourism and hospitality.

As a result of a now rapidly-shifting domestic travel market in some states due to COVID-19 and its impact on interstate travel, current WHM holders residing in Australia are heavily restricted. Meanwhile, international border closures have cut the supply of new arrivals. Both impacts have a highly detrimental impact on tourism. With far fewer WHM travellers filling vacant roles regions attracting intrastate visitors struggle to meet visitor demand due to labour shortages. An acute example is Broome and the Kimberley but there are several others now forming.

ATIC supports the Federal Government's approach towards a COVID recovery for our visitor economy achieved through sustainable tourism enterprises and an anticipated returning visitor base. Yet tourism businesses' ability to access labour and meet seasonal demand is limited and positions traditionally filled by WHM holders remain vacant, particularly in regional and rural areas.

The *Migration Inquiry* has been presented with figures showing a current deficit of WHM numbers net to usual circumstances is as high as 50,000. The Backpacker & Youth Tourism Advisory Panel (BYTAP) estimated that by January 2021 only 20 per cent of existing WHM Program participants may remain in Australia with no top-up due to a hard-border closure. ATIC's recent discussions with the National Farmers Federation point to clear collective concern around the major deficit and 'flat-lining' of the WHM Program moving forward which will significantly impact regional visitor economies, their respective employment markets and regional communities at large.

ATIC seeks your view on reform and new support initiatives for the WHM Program including:

Extend and grant existing WHM visa holders still living in Australia an extra year (and possibly a greater period of extension) to address 'regional' workforce shortage issues.

Despite higher local unemployment due to the pandemic, acute workforce shortages remain and will continue for Australian tourism and other industries. We predict this will occur across northern WA, extend through the Northern Territory, North Queensland and the Whitsundays, Central Queensland and Australian east-coast centres as well as our cities. Other states are exposed.

Supporting existing WHM holders to remain in Australia, to extend their visa at no charge so they may stay, travel and work in critical jobs, including in tourism, is paramount. The decision will directly support tourism businesses in areas of *green-shoot* visitor activity now being generated by intrastate and seasonal travel demand in some COVID-19 free environments.

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Currently WHM visa holders are able to work in any location, occupation or industry while in Australia, however under Condition 8547, only work with any one employer limited to 6 months and have the option to automatically extend working for the same employer in Australia for more than 6 months without asking permission if the work is:

- in different locations and work in any one location does not exceed 6 months
- in plant and animal cultivation anywhere in Australia
- in certain industries in northern Australia only
- from 17 February 2020, [assisting bushfire recovery efforts](#)
- from 4 April 2020, in critical sectors during the COVID-19 pandemic including agriculture, food processing, health, aged and disability care and childcare.

Current rules do not offer the flexibility for WHM holders to move between employers nor does it allow foreign travellers within Australia who previously held a WHM with a specific employer to re-enter the work force within a designated critical region. The ability for WHM to have this flexibility would greatly assist regional tourism businesses which are challenged with labour shortages.

Furthermore, enabling granted WHM visa holders unable to enter Australia, or who left due to COVID-19, with the ability to reactivate their visa without charge from the time borders reopen with their home country should be prioritised. Equally supporting WHM holders through 'safe' travel bubbles should occur. The Program requires post-pandemic renewal based on its importance, yet in recent years has experienced falls in WHM Year One visa grants to Australia of up to 10%.

Use a revised WHM to address continued weakness in skills and workforce supply

Labour force shortages across tourism and hospitality in our major capitals, regions and rural locations are not a new phenomenon. From late 2020 and into 2021 the major shortfall in WHM holders will have a further major impact on tourism enterprises and associated local industries if the domestic employment market cannot meet emergent supply of jobs within recovering businesses.

ATIC believes WHMs (including those with skills in short supply) should be supported to stay beyond their holiday to study and/or be fast-tracked should they apply for a separate temporary or permanent visa such as a Designated Area Migration Agreements (for the existing and future cohort of WHM visa holders).

Future consideration of a backpacker visa to address longer-term structural issues with employment and labour supply to Australian regional and rural tourism enterprises

ATIC advocates reform of our WHM visa offering including that of a marketed '[backpacker visa](#)'. Performance of 417 and 462 visa sub-classes under the WHM Program has been scrutinised and media in 'source' markets have highlighted negative experiences of an Australian working holiday.

Ensuring [Tourism Australia](#) can continue to proactively market the Program can only help better leverage the program. Should you require further information, please contact me on

Yours sincerely,

Simon Westaway
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