

INQUIRY INTO THE WORKING HOLIDAY MAKER PROGRAM

July 2020

1. Introduction

I refer to the above matter and I will be making a submission in reference to the Terms of Reference to the Inquiry as below.

- (a) The purpose of the program including history, size, composition, eligibility, and reciprocal access for Australia and recent changes;
- (b) The value of the program to Australia's economy, including tourism, health care and agriculture sectors;
- (c) The ongoing impact of COVID-19 nationally and international on the program;
- (d) The extent to which existing visa criteria and conditions related to Working Holiday Makers (**WHMs**) are still adequate and appropriate to address the purpose of this program, including cultural exchange and creating job opportunities for Australians;

It is an unfortunate situation that Australia is facing an unprecedented pandemic caused by COVID-19 and the impact it has on the economy of Australia is not only crippling citizens and permanent residents but WHMs as well. No one has ever predicted that such a pandemic would strike when excited WHMs applied for their visa to Australia. Like me, they were looking forward to a new adventure in Australia but did not get to experience it due to the pandemic.

As a current WHM in Victoria, Australia, I was excited to experience a different working culture that prides itself on diversity and inclusiveness. I had grand plans to try out various work here and was also looking forward to visiting the many beautiful landmarks that Australia has to offer after earning some money.

Unfortunately, due to the unprecedented pandemic, WHMs, especially those who arrived in early 2020, was unable to find work in the short time between arrival to Australia and the initial lockdowns. Those lockdowns also prevented us from going to different parts of Australia as domestic borders began to close.

I believe that if there are any unprecedented event, situation, condition or circumstance that has occurred or arisen and the Australian Government is of reasonable opinion that such unprecedented event, situation, condition or circumstance interferes with the welfare and interest, of not only Australian citizens and permanent residents but also temporary workers including WHMs, there should be changes made to include and protect such welfare and interest. Therefore, I am grateful that we are given an opportunity to voice our submissions into this inquiry and we hope that a fair, wise and reasonable outcome will help not only the Australian economy but also the current WHMs in Australia.

This submission will address the impact of COVID-19 on WHMs and proposes some alternative temporary solutions to the WHM program during this period.

2. The purpose of the program including history, size, composition, eligibility and reciprocal access for Australians and recent changes

2.1 Background

The Working Holiday Maker (WHM) program includes the Working Holiday (subclass 417) and Work and Holiday (subclass 462) visas. Based on the WHM visa program report published in 31st December 2019, in the six months from 1 July to 31 December 2019, there were a total of 104,796 WHM (subclass 417 and subclass 462) visas granted.

The WHM program has been in existence since 1975 and has contributed billions of dollars to the Australian economy as well as supporting jobs in regional Australia. The main purpose of the program is to foster people-to-people and cultural links between Australia and partner countries. This gives a chance for young adults to fund their extended holiday through short-term work. Young adults arrive in Australia with intention to earn money by working and contributing to the Australian economy and inject the wage they earn back here into local communities.

2.2 Eligibility

To be eligible for a WHM (subclass 417 and subclass 462) visa application, applicants generally need to meet the following requirements:

- (a) Hold a passport issued by the relevant eligible country or region;
- (b) Be aged between 18 and 30 at the time of applying (and in some countries the age limit is 18-35);
- (c) Not to be accompanied by dependent children;
- (d) Meet health, character and financial requirements;
- (e) Not have previously entered Australia on a WHM visa (unless applying for a Second or Third Year WHM visa)
- (f) Apply within 12 months of intended travel to Australia

WHM visa holders can:

- (a) Enter Australia within 12 months of the visa being granted (if applying outside Australia);
- (b) Stay in Australia for up to 12 months from when they first enter Australia (unless applying for a Second or Third Year WHM visa will allow a further 12 months stay if they qualify);
- (c) Leave and re-enter Australia any number of times while the visa is valid;
- (d) Work in Australia for up to six months with each employer. However, a visa holder may work for the same employer for a combined total of more than six months provided the work is undertaken in a different location and work in any one location does not exceed six months. WHM visa holders may be eligible to extend their six month employment limitation in these following circumstances:
 - (i) As an au pair anywhere in Australia
 - (ii) In eligible industries in northern Australia

- (iii) In plant and animal cultivation anywhere in Australia
- (e) Study for up to four months.

For those who wish, they can apply for a second or third year visa to renew their stay for another year. The requirements for renewal are as follows:

- (a) Be between 18-30 at the time of application
- (b) Have completed three months or 88 days (for Second Year WHM visa) or 6 months (for Third Year WHM visa) of specified work in regional Australia while on the current WHM visa
- (c) Have complied with all the conditions on the First or Second Year WHM visa.

2.3 Changes

With the unprecedented circumstances that COVID-19 brings to the Australian economy, there has been changes made available to WHMs or temporary workers. In response to COVID-19, the government introduced flexible and temporary visa arrangements by means of the Temporary Activity (subclass 408) Australian Government Endorsed Event (AGEE) stream visa or the COVID-19 Pandemic Event visa.

The COVID-19 Pandemic Event Visa is available to people who are

- (a) Currently in Australia and unable to depart Australia due to COVID-19;
- (b) Have a current visa that expires in 28 days or less or where their last temporary visa has expired less than 28 days ago;
- (c) Have evidence from their employer that they have ongoing work in a critical sector (agriculture, food processing, health care, aged care, disability care, and childcare).

However, I will address this later in Section 4.1 of this submission that the COVID-19 Pandemic Event visa is insufficient to address the predicament that current WHMs are going through.

3. The value of the program to Australia's economy, including tourism, healthcare and agriculture sectors

3.1 Value of the program

The main purpose of the program, as mentioned earlier, is to foster and build people-to-people and cultural links between Australia and partner countries as well as giving a chance for young adults to fund their holiday and contribute back to the Australian economy and local communities and to make life-long connections with Australia. WHMs pay taxes (18%) to the Australian government as well as contribute their skills and efforts to local communities, farmers, regional businesses in need while boosting both the tourism and agriculture industry in regional and metropolitan Australia.

It is without dispute that temporary visa holders are extremely valuable and positive to the Australian economy. Not only does the program has socioeconomic benefits as seen above, but WHMs contribute towards macroeconomic demand for labour as more than half of the WHM jobs are in two major industries: 'accommodation' and 'agriculture'. The

importance of WHMs to regional Australia has been increasing due to the eligibility for a further visa.

WHMs are more flexible and geographically mobile as they are more willing to work in a range of low skilled, low paid or short-term jobs in regional and remote areas as well as smaller businesses in Metropolitan Australia. This shows the efficiency of the labour market by providing labour into smaller industries or regional work as they require short-term flexible or casual workers and therefore, employers in Australia have access to a larger pool of such workers.

Australia also needs to continue to build upon its success as an international travel destination across all tourism sectors. With the current pandemic, the country has already seen a decrease in the tourism industry since the pandemic started spreading in Australia and this has an adverse impact on the economy. WHMs are particularly valuable to help support local economies and jobs as many WHMs will also travel around the country during their stay in Australia. With such a successful program, many WHMs in Australia has recommended the program to their friends and with the rise of social media, the WHM program has been promoted through online blogs or vlogs showcasing the success of the program and its rich cultural experience.

4. The ongoing impact of COVID-19 nationally and internationally on the program

4.1 National and International Impact

On the 22nd of March 2020, the National Cabinet decided on the first major round of closures¹ where all pubs, clubs, cafes and restaurants, excluding takeaway, gyms, indoor sporting venues, cinemas, casinos, nightclubs and entertainment venues will be closed from 12pm on Monday, 23rd March 2020.

On the 24th of March 2020, the National Cabinet decides on further restrictions on to auction houses, real estate auctions, amusement parks, play centres, beauty parlours and hair salons are to be closed. Gatherings are restricted to groups of 10 and Australians were ordered to stay home unless they are going out for an essential purpose, for care giving or for exercise.

Domestic travel restrictions started to come into force on Western Australia, South Australia, and the Northern Territory and subsequently Queensland and the rest of the country. The international travel warning is upgraded to a full international travel ban.

Prime Minister Scott Morrison subsequently advised temporary visa holders or WHMs or students who are not able to sustain themselves to return home. This announcement, however, did not cause a mass exodus as those who are able to financially sustain themselves in Australia remained in the country. After all, it is a sprint and not a marathon and WHMs could still contribute to the economy once restrictions lifted.

However, WHMs due to the nature of the program, are not able to access any support from the government such as the JobSeeker or even JobKeeper programs, even though we are considered employees who pay tax to the government. This is a large number of people who are aligned to Australia and are more than able to contribute to the community and the economic growth of the country. However, without the attention and support for these young

¹ <https://www.theguardian.com/world/2020/may/02/australias-coronavirus-lockdown-the-first-50-days>

people, Australia risks damage not only to its global reputation, but to its economy and society.

Some WHMs had to be stood down from their jobs as some were working in tourism, hospitality and even in regional farms for reasons of effectively shutting down or cutting back the workforce due to COVID-19 restrictions. Eventually, subsequent initiatives to apply for work has either been greeted with rejections or a reply that companies and businesses are not hiring, which is understandable from the perspective of businesses. However, this has taken a toll on WHMs. With employment rates in Australia hitting an all-time low, everyone is applying for jobs that WHMs were able to obtain easily without the presence of the pandemic. Therefore, many temporary visa holders, WHMs and students in Australia are now without financial support and facing an intense pressure on what will happen next when their visa expires despite their lingering future hope to remain. The reality is that many Australian citizens as well as WHMs find themselves out of work due to the economic crisis that we are facing.

As mentioned in Section 2.3 above, that the changes that was enforced by the COVID-19 Pandemic Event Visa would not be sufficient for current WHMs in Australia especially those who arrived from January 2020 onwards. This Visa is only in force for those who are employed in the health, aged and disability care, childcare, agriculture and food processing sectors. That is indeed extremely helpful in terms of those who had been in Australia prior to January 2020 as they were then able to get a job in those sectors and have been in full-time contract. This new Visa stream does not consider WHMs who entered Australia in January 2020 and was not able to get a job from when they first arrived in Australia until the time when first restrictions hit. The impact to this would have been mitigated if WHMs were able to get a critical sector, however current restrictions have made it very hard for WHMs to get work in that time period and not all WHMs possess the necessary qualifications and skills to work in those sectors.

Economic recovery is extremely fragile as Prime Minister Scott Morrison mentions that the government is trying to get Australians back to work in a safe economy, and they are trying to find what that safe economy looks like. If the lifting of restrictions is delayed or the restrictions had to be re-imposed, the outcome will be way more challenging than what was initially planned such as in the case of Melbourne. Unfortunately, this is the case for me.

4.2 Personal Impact (Victoria, Australia)

Personally, the impact of COVID-19 has been felt deeply, I arrived in Melbourne, Australia in February 2020. However, restrictions started to kick in Victoria, Australia on 24^h of March 2020. Domestic travel ban came into force and my movement has been restricted. Even though I managed to get a job in Melbourne early March, I was stood down for reasons attributable to COVID-19. Subsequent initiatives to apply for work has either been greeted with rejections or a reply that businesses are not hiring. At that time, WHMs are encouraged to return home if they were unable to sustain themselves financially. However, many thought that these restrictions would be short-lived.

Melbourne's restrictions started to ease 1st June 2020 however, the second lockdown restrictions that was ordered on the 8th July 2020 for the next 6 weeks, brought about a huge slump and discouragement to WHMs. Now, not only am I unable to get a job in metropolitan Melbourne but I am unable to travel to regional Victoria to satisfy my Regional work requirements to apply for a Second Year Visa as many farms never replied to applications and even if they replied, they mentioned that they are currently not hiring until

restrictions eased. The second lockdown restrictions even prevented me to enter Regional Victoria as we were confined to Metropolitan Melbourne only. The dramatic spike of cases in Melbourne also prevented me to enter other parts of Australia as other states closed their borders to Victoria.

Looking at the same projections of the first restrictions in March, initially many had predicted that everything will return to normal by mid-June. However, restrictions only started to ease in June or July. With Victoria's second lockdown, survey shows that a longer trajectory of what normality will look like will take the same timeline as the first restrictions if not longer. Survey shows that things will return to normal in December 2020.² With each state implementing different policies which is enforced by different premiers, the severity of each state differs with one other. The impact to find a job in regional or in metropolitan Melbourne is reaches far beyond Melbourne.

5. The extent to which existing visa criteria and conditions related to WHMs are still adequate and appropriate to address the purpose of this program, including cultural exchange and creating job opportunities for Australians

5.1 Is it adequate and appropriate?

WHMs need to be encouraged to work in regions of low employment and fill labour and skill shortages that Australians citizens and permanent residents are unwilling to fill, whichever industry it is in. WHMs had to consider factors to move to Australia such as visa cost, cost of travel, cost of living, and the opportunity cost of various employment opportunities.

Leaving the current bleak conditions aside, there will be hope that in the very near future, restrictions will start to ease, and the workforce will return to work and some form of normality will return. Once restrictions have lifted, many businesses ultimately require access to a flexible and seasonal labour force to meet the growing demands of local businesses in Metropolitan cities and in the agricultural, hospitality, and tourism sectors. These are the sectors that are well-placed to take advantage of the significant growth potential and would rely heavily on WHMs to meet their seasonal workforce needs.

The purpose of the visa as elaborated above has been pushed back due to the restrictions. Young people who are currently in Australia under the program are unable to explore Australia with no incentive to spend more time in Australia and to give back into the economy. For WHMs that came in between January 2020 and before restrictions kicked in, it would be almost impossible to meet with the requirement of regional work, especially in Victoria, unless they already found a regional job prior to arriving in Australia (which is highly improbable). Forceful compliance of this condition will only promote movement outside quarantine boundaries along Regional Australia to gain another year in the country.

5.2 Suggestive Reform

As the very clear focus at the moment must be on getting Australians back into work and how migration can support the recovery of the Australian economy by supporting business that need more people, I would propose the WHM Extension (subclass 417 and subclass 462) Visa which is an alternative temporary solution to the WHM program during this period.

² <https://www.abc.net.au/news/2020-05-06/australians-hesitant-to-head-out-coronavirus-restrictions-lifted/12217102>

This WHM Extension Visa will extend the current WHM visa for another year with a waiver of the condition for mandatory regional work before the First or Second Year WHM Visa expire if the WHM arrived in Victoria from 1st January 2020 to the initial lockdown. Due to the inability of engaging work both regionally and in metropolitan Australia for the past 6-8 months, an additional year to remain in Australia to work and contribute to the Australian economy will be extremely helpful. *The extension would give current WHMs the much needed time to comply with the necessary requirements for further stay.*

This proposed Extension Visa is not a new WHM visa but just an extension of the current visa. This proposal would mean that the First Year WHM Visa holders do not gain an additional Second Year WHM Visa and would still need to comply with the required conditions to gain the Second Year Visa. The same goes for a current Second Year WHM gaining an extension of their current visa and the conditions to gain the Third Year Visa would still remain.

This would work well to the regional sector as they would still be able to get the workforce they need and WHM visa holders could have the time to get a job both regionally or in any industry as required to have the economy boosted. Without this extension, current WHMs will have to leave Australia by March 2021. With international borders closed, WHMs that were supposed to enter Australia within 2020 were not able to and this extension will allow current WHMs to remain in Australia and cover the work that is normally done by new WHMs. Specified work here must also extend tourism and hospitality as an approved industry and area to all other states, and not just to Northern Territory, Queensland and Western Australia.

The proposed eligibility requirements for this extension are as follows:

- (a) Be between 18-30 at the time of application;
- (b) Have complied with all the preliminary conditions of the First or Second Year WHM visa (including health, character and financial requirements);
- (c) Entered Australia between 1st Jan 2020 and the first lockdown in March 2020;
- (d) Have been affected by the restrictions for the past 6 months in lockdown and is unable to find work;
- (e) Must be able to complete a specific number of months of specified work required in regional Australia while on the current WHM visa for an application for a Second or Third Year WHM visa.

6. Summary and Concluding Comments

6.1 Where To From Here

WHM programs were created with tourism and regional Australia as well as cultural exchange as the core concern. WHMs contribute positively to the Australian economy both in taxation revenue as well as boosting the economy due to their spending. In the horticulture, agriculture, and tourism industry, WHMs provide an indispensable source of contribution to the Australian community due to the labour they provide. As such, any review will need to take the above into great consideration.

I hope that a fair, wise and reasonable outcome will be implemented to help not only the Australian economy but also the current WHMs in Australia.