

The Parliament of the Commonwealth of Australia

Joint Standing Committee on Migration

**Working Holiday Makers:
More Than Tourists**

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Foreword

Australia's working holiday program provides the opportunity for young people from overseas countries to enjoy an extended holiday in Australia and to undertake incidental work in order to supplement their holiday money. The reciprocal nature of the program offers similar opportunities for young Australians to undertake working holidays overseas.

Over the past year, the Joint Standing Committee on Migration has been conducting a comprehensive review of the working holiday program. This report presents the Committee's findings and recommendations from that review.

In this report, the Committee recognises the many cultural, social and economic benefits of the working holiday program for participants and the broader community. At the same time, the Committee has responded to concerns that working holiday makers are affecting the job prospects of Australians, particularly in certain industries and regions.

The Committee's recommendations seek to ensure that the working holiday program is targeted appropriately. The focus should remain on providing young people with the chance to expand their life experiences through travel, so that young people from overseas can learn more about Australia and young Australians can increase their understanding of overseas countries.

If the working holiday program operates effectively, it can create jobs for Australians rather than take work away from them. The Committee's recommendations are directed to such an outcome.

A working holiday can be a valuable experience for any young person. Adoption of the Committee's recommendations will help to ensure that the benefits of a working holiday can be shared by all Australians.

CHRIS GALLUS, MP
CHAIR

Acknowledgments

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The Committee is grateful to its secretariat, including Mr Andres Lomp (Secretary), Ms Catherine Cornish (Senior Research Officer), Ms Gabrielle Jess (Research Officer), Ms Denise Picker and Ms Sophia Konti (Administrative Officers). The Committee appreciates the high quality procedural, research and administrative support which they provided throughout the inquiry.

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The Committee also thanks Ms Susan Sare for her research paper on the working holiday programs of other countries. The paper was prepared by Ms Sare in her capacity as a parliamentary intern with the Australian National Internships Program at the Australian National University.

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Committee membership

Joint Standing Committee on Migration

Chair:	Mrs Chris Gallus, MP
Deputy Chair:	Senator Jim McKiernan
Members:	Ms Teresa Gambaro, MP Hon Clyde Holding, MP Hon Duncan Kerr, MP Hon Stephen Martin, MP Rt Hon Ian Sinclair, MP Senator Natasha Stott Despoja Senator John Tierney Senator Judith Troeth
Secretary:	Mr Andres Lomp
Adviser:	Mr Christopher Dorrian
Inquiry staff:	Ms Catherine Cornish Ms Gabrielle Jess Ms Sophia Konti Ms Denise Picker

Terms of reference

To inquire into and report on the regulations relating to working holiday visas, with particular reference to:

- (a) the adequacy of the existing working holiday arrangements, including the criteria and conditions relating to the grant of working holiday visas;
- (b) the appropriateness of setting a limit on the number of working holiday visas granted annually;
- (c) the efficiency and effectiveness of the administrative arrangements relating to the grant of working holiday visas and compliance with their conditions;
- (d) the impact on the Australian community of the working holiday arrangements, including any impact on the Australian labour force; and
- (e) the adequacy and effectiveness of reciprocal working holiday agreements established with other countries, including any potential for expansion of such agreements.

Abbreviations

ACCI	Australian Chamber of Commerce and Industry
ACTU	Australian Council of Trade Unions
AGHS	Australian Government Health Service
AGPS	Australian Government Publishing Service
ATC	Australian Tourist Commission
ATO	Australian Taxation Office
CES	Commonwealth Employment Service
Committee	Joint Standing Committee on Migration
DEETYA	Department of Employment, Education, Training and Youth Affairs
DFAT	Department of Foreign Affairs and Trade
DIMA	Department of Immigration and Multicultural Affairs
DIST	Department of Industry, Science and Tourism
Minister	Minister for Immigration and Multicultural Affairs
WHM	working holiday maker

Conclusions and recommendations

Impact of working holiday makers

The working holiday program provides a range of cultural, social and economic benefits for participants and the broader community. Those benefits show that the program is of considerable value to Australia and should continue to be supported.

Young people from overseas benefit from a working holiday by experiencing the Australian lifestyle and interacting with Australian people in a way that is likely to leave them with a much better understanding and appreciation of Australia than would occur if they travelled here on visitor visas. This contributes to their personal development and can lead to longer term benefits for the Australian community.

Through contact with working holiday makers, Australians, particularly those living in regional areas, are able to gain a better appreciation of other nationalities, languages and cultures. The relationships established and positive impressions gained during a working holiday can help to generate increased tourism interest in Australia and future business and commercial links with other countries. In some cases, it stimulates interest in future migration to Australia.

The reciprocal nature of the working holiday program also means that young Australians can share in the same benefits which are available to overseas working holiday makers. The working holiday program presents an important opportunity for young Australians to experience the world before they have to compete in it. The skills and cultural appreciation which young Australians acquire during a working holiday overseas, and which they bring back home, benefit their own and Australia's future.

The working holiday program provides direct benefits for the Australian economy, with current estimates showing that working holiday makers spend between \$400m and \$450m in Australia annually. Importantly, most of the money they earn in Australia is put back into the economy, thereby generating growth and employment. As a result of their propensity to travel widely and visit remote destinations, the money they spend reaches a broad cross-section of the local economy.

Working holiday makers are an important source of supplementary labour for those industries requiring short-term casual workers, such as the horticultural industry. In many instances, their presence is critical at peak times.

Although statistical evidence indicated that the overall impact of working holiday makers on the Australian labour market is minimal, they have significant impact on specific industries in particular regions.

The adverse labour market impact of working holiday makers is compounded if they breach the work condition of the visa or if employers allow backpackers on visitor visas to undertake work illegally because they have not distinguished between visa conditions for visitors and working holiday makers. Although there was no statistical evidence before the Committee, it appears that there is a high probability that a percentage of backpackers on visitor visas work while they are in Australia. This is a matter which requires attention and is dealt with in further detail in Chapter Five.

The Committee received disturbing evidence from Queensland regarding the use of working holiday makers by tour operators at the expense of Australians seeking jobs in the tourism industry. That evidence indicated distinct problems which need to be addressed in relation to tour guides, as detailed in Chapter Six.

Evidence from the Cairns CES that a ready supply of working holiday makers in some regions allows employers to avoid making a commitment to train Australians was of equal concern. As this disadvantages young people entering the work force, it is also a matter which warrants attention.

While supporting the working holiday program, the Committee is adamant that it should not be used as a basis for solving labour market problems in Australia. The use of working holiday makers as a base pool of casual labour or as a primary source of specialist skills, such as language skills, may provide a short-term solution to a labour market problem but is not in the longer term interests of either the relevant industry or the Australian community. In the Committee's view, labour market issues should be addressed through appropriate labour market programs.

The Committee was hampered by the limited nature of existing statistics and research on the labour market impact of working holiday makers. The Committee was reliant upon the few surveys which have been conducted on this issue and the evidence it obtained during the inquiry, much of which was anecdotal. It is clear that more detailed research is required to facilitate future decision making on the issues which confronted the Committee during the inquiry.

The Committee recommends that:

- 1. Australia's working holiday program be maintained because it:**
 - (a) enhances the cultural and social development of young people;**
 - (b) promotes mutual understanding between Australia and other nations;**
 - (c) generates economic benefits; and**
 - (d) is an important component of the tourism industry;**
- 2. the original intention of the working holiday program be reinforced so that it remains a program which provides an opportunity for an extended holiday with incidental work and is not used either to resolve labour market problems in Australia or as a mechanism by which people can circumvent normal migration processes in order to remain in Australia, particularly in employment related categories; and**
- 3. to assist with future decision making on the working holiday program, and in view of the paucity of relevant statistics and detailed research currently available on the program:**
 - (a) research be undertaken by government to allow for a more comprehensive assessment of the labour market impact of working holiday makers;**
 - (b) the Department of Immigration and Multicultural Affairs seek more detailed information from working holiday makers, including their educational qualifications and occupational backgrounds, to provide a more comprehensive profile of working holiday makers entering Australia; and**
 - (c) the Department of Immigration and Multicultural Affairs conduct exit research on working holiday makers to provide information and statistics on their experiences in Australia, focusing on the nature and duration of employment undertaken, as well as the breadth of their travel within Australia.**

(paragraphs 3.65 to 3.77)

Scope of the working holiday program

Program numbers

The capping of the working holiday program was one of the most contentious issues during the inquiry. The cap was introduced because of concerns about the impact of working holiday makers on the Australian labour market. Those concerns are of continuing relevance.

An unlimited and unregulated working holiday program could have an adverse effect on the job prospects of Australians. On the other hand, the cap also restricts the number of working holiday makers arriving in Australia each year and limits the potential tourism and related economic benefits which could accrue if an unlimited number of working holiday makers were allowed entry to Australia. These differing views about the cap reflected people's differing interests in the program.

Problems with the cap resulted principally from the 1995 decision to impose a limit on numbers without advance notice and in the middle of a program year. Similar problems were not encountered when the limit was determined at the outset of the 1996-97 program year and after consultations with relevant Commonwealth agencies and relevant industry, employer and trade union representatives.

While some argued that working holiday makers should be regarded in a similar way to people on visitor visas, who are not subject to a numerical limit, the Committee does not agree. The important difference is that working holiday makers have permission to work in Australia and, therefore, have the potential to affect the Australian labour market. Their presence requires more careful consideration and monitoring than does that of people on visitor visas.

With high unemployment levels in Australia, particularly among young people, there is a strong possibility that an uncapped program could result in jobs not being available to Australians. Public confidence in the working holiday program could be eroded if the program provided unlimited access for people with the potential to take jobs, even casual jobs, from Australians.

If the working holiday program is operated in a controlled environment, appropriate judgments can be made about the level at which the entry of working holiday makers would affect the labour market and erode public support for the program. A forward planning target for the number of working holiday visas to be issued annually provides the opportunity for such judgments to be made.

A managed program provides a level of certainty and openness for both participants and administrators. Proposed alternatives to an annual limit, such as altering the criteria or conditions attaching to a working holiday visa, or imposing a limit when problems are detected, would not deliver the same degree of certainty and may introduce separate administrative difficulties.

An annual target for the grant of working holiday visas would enable adjustments to be made when necessary. Appropriate decisions on program numbers require assessment of their likely implications, particularly for the Australian labour market, and consultations with interested parties.

The Committee recommends that:

- 4. for the next three financial years, the Minister for Immigration and Multicultural Affairs continue to set a target for the number of working holiday visas to be issued in a financial year, with that target to be reviewed during the year to allow for appropriate adjustments to be made;**
- 5. in establishing and reviewing the annual target for working holiday visas, the Minister for Immigration and Multicultural Affairs, through his Department, consult with relevant Commonwealth agencies and relevant employer, industry and trade union representatives; and**
- 6. the need for a cap on working holiday visas be reviewed by this Committee's successor in three years' time, once more detailed statistical evidence and research on the working holiday program are available.**

(paragraphs 4.42 to 4.50)

Program criteria

The working holiday program would be enhanced if people in the 26 to 30 year age bracket were to have easier and thereby greater access to the program. Easier access to the program can be achieved by abolishing the additional benefit criterion which such people currently must satisfy in order to be granted a working holiday visa.

As people are tending to stay longer in education, a more generous age range for the working holiday program is likely to contribute to the cultural and social objectives of the program by ensuring that those who pursue tertiary education have ample opportunity to participate in the program.

Removal of the benefit criterion would establish a more open and less arbitrary process for determining a person's suitability to become a working holiday maker.

The Committee does not agree with DIMA's suggestion that 18 to 20 year olds be excluded from the program, given the small percentage of working holiday makers in that age bracket. Reports from certain overseas posts, which suggested that such young people may be without direction and may be more likely to breach visa conditions, were not borne out in evidence to the Committee.

As a broader age range for the program is likely to lead to greater demand for working holiday visas, particularly from nationals of agreement countries, it is reasonable to question whether nationals of non-agreement countries should be included in the program at all.

Retention of non-agreement countries in the scheme would contribute to increasing pressure on numbers. It may result in the cap being reached earlier than is desirable.

The exclusion of non-agreement countries from the program could act as an incentive for countries to enter into working holiday agreements with Australia, thereby providing reciprocal benefits for Australian youth. (As noted later in this chapter, a number of countries approached by Australia have been wavering on whether to establish working holiday agreements. If their nationals only can have access to the working holiday program through a reciprocal agreement with Australia, it may give greater impetus for such agreements to be established.)

Restricting the program to agreement countries also would accord with international practice. Australia appears to be the only country in the world which currently allows nationals of non-agreement countries access to its working holiday program.

Given that only a small percentage of working holiday makers come from non-agreement countries, it is unlikely that removal of non-agreement countries from the program would have any adverse impact on bilateral relations. There is a range of other visa categories in which suitably qualified applicants from countries which do not have working holiday agreements with Australia are able to enter Australia for extended periods of stay.

The overall benefit of restricting the working holiday program to agreement countries is that it would ensure a properly targeted and easily administered program under which the reciprocal benefits are clear. By providing a broader age range of working holiday makers from those countries, the program's objectives would be enhanced at the same time.

While there are various advantages which would result from the exclusion of non-agreement countries from the program, there also are certain disadvantages which need to be taken into consideration in determining the best option for Australia.

By removing non-agreement countries from the program altogether, Australia would close the door on any mutual benefit which could be derived from a broadly based program. An advantage of the existing program is that young people from many countries are able to experience Australia. This helps to increase our international exposure, which is important if Australia is to expand its links within the international community. The more young people from different countries who are able to experience Australia, the greater potential there is for benefit to Australia in the longer term.

Removing non-agreement countries from the program also could reduce the opportunities for new reciprocal agreements. One determinant of whether a country seeks a working holiday agreement with Australia is the level of interest which its young people have in undertaking a working holiday in Australia. If countries do not have any access to the program, even in a limited capacity, that interest would be more difficult to gauge.

On balance, therefore, the Committee considers that it is in Australia's best interests to ensure that the primary focus of the working holiday program remains with agreement countries, but that some scope be retained for non-agreement country nationals to have access to the program. In that way, the benefits of the program will be focused broadly while the program itself will be targeted appropriately.

In determining that nationals of non-agreement countries should continue to have some, albeit limited, access to the working holiday program, the dilemma for the Committee was whether such access should be managed through a benefit test, a cap on the number of non-agreement country nationals or some other semi-formal arrangement. All of these options presented difficulties. The Committee already has recognised that the benefit criterion is somewhat arbitrary and difficult to assess. As for the option of developing semi-formal arrangements with non-agreement countries, proposed by DIMA late in the inquiry, this appears to be overly complex. Advice to the Committee also indicated that a separate cap on non-agreement country nationals would require the establishment of a separate visa sub-class, which would appear to be contrary to the general trend towards simplification of visa classes.

On balance, the Committee considers that the preferable option is to impose a separate cap on the number of working holiday visas granted annually to nationals of non-agreement countries, so that the criteria for the grant of a working holiday visa are not unnecessarily complicated and so that the percentage of non-agreement country nationals participating in the working holiday program remains at an appropriate level.

The Committee recommends that:

- 7. the benefit criterion be abolished so that no applicants for a working holiday visa are required to show that the grant of a working holiday visa would be of benefit to themselves and Australia;**
- 8. nationals of agreement countries be eligible for a working holiday visa if they are aged between 18 and 30 years;**
- 9. nationals of non-agreement countries be eligible for a working holiday visa if they are between 18 and 25 years old and can satisfy appropriate bona fides checks;**
- 10. an annual cap be introduced on the number of working holiday visas to be granted to nationals of non-agreement countries, with the cap set at five per cent of the overall program number; and**
- 11. the Department of Immigration and Multicultural Affairs develop strategies aimed at encouraging applications for working holiday visas from a diverse range of nationalities.**

(paragraphs 4.72 to 4.88)

Application requirements

The existing requirement which prevents nationals of non-agreement countries from applying for a working holiday visa outside their country of citizenship is appropriate. It helps to ensure that access to the program by such people is contained. As such, it complements the Committee's recommendation for a cap on the number of working holiday visas to be issued to non-agreement country nationals (recommendation 10).

Nationals of agreement countries should be subject to a uniform procedure for lodgment of working holiday applications in order to avoid accusations of discrimination and unfairness. They should be able to lodge an application for an Australian working holiday visa in any overseas country. The statistics indicate that this opportunity already exists for around 80 per cent of working holiday makers. To extend this possibility to all agreement country nationals maximises the flexibility of the program. On the basis of advice from DIMA regarding technological improvements to its reporting systems, this change is unlikely to present any undue technical difficulties.

The proposal that people be allowed to lodge original applications for a working holiday visa from within Australia has more disadvantages than advantages. Of particular concern is the likelihood that such a change would lead to a significant increase in working holiday visa applications, thereby placing additional pressure on program numbers, and could alter the entire focus of the program.

Of equal or greater concern is the fact that any decision to refuse a working holiday application lodged onshore would become subject to merits review, which not only would place additional pressure on administrative review processes but also could lead to administrative complexities if, pending a merits review, people are able to delay their departure from Australia.

The Committee recommends that:

- 12. the existing application requirement for nationals of non-agreement countries be retained so that they are allowed to lodge an application for an Australian working holiday visa only in their country of citizenship;**
- 13. there be a uniform application requirement for nationals of agreement countries so that any agreement country national can apply for an Australian working holiday visa from any overseas country; and**
- 14. the prohibition on onshore applications be retained so that original applications for an Australian working holiday visa cannot be made in Australia.**

(paragraphs 4.107 to 4.110)

Reciprocal agreements

Reciprocal agreements are the centrepiece of the working holiday program. They establish the basis upon which young people from overseas and young Australians can enjoy reciprocal working holiday opportunities in each other's countries.

The Committee agrees with DIMA that the reciprocal agreements do not need to be uniform in nature. As long as the benefits are reciprocal, it is appropriate to have a measure of flexibility in relation to the arrangements which are established.

The Committee is concerned, however, that reciprocal opportunities for young Australians to undertake working holidays in some overseas countries exist in principle but not in practice. Evidence to the Committee indicated that the bureaucratic obstacles faced by Australian working holiday makers in the Netherlands make it very difficult for them to obtain work there. This matter requires attention to ensure that the agreement with the Netherlands delivers adequate reciprocal benefits to young Australians.¹ If similar difficulties occur in

1 The current lack of reciprocity is evident also in the statistics, for instance, in the 1995 calendar year approximately 120 Australians went to the Netherlands as working holiday makers, while in the 1995-96 financial year more than 2 600 Dutch working holiday makers entered Australia.

terms of reciprocity offered to young Australians by other agreement countries, the sources should be identified and addressed.

At the same time, an expansion of the program to other countries which are willing to offer reciprocal working holiday opportunities for young Australians will bolster the program's main objectives of promoting mutual understanding and increasing cultural and social ties between Australia and other nations.

The Committee recommends that:

- 15. the Australian Government undertake discussions with the Government of the Netherlands with a view to ensuring that the requirements and conditions underpinning the working holiday agreement between the two countries provide genuine opportunities for young people of each country to undertake work in the other; and**
- 16. the Australian Government actively pursue new reciprocal working holiday agreements with other countries taking into consideration the following criteria:**
 - (a) the nature of Australia's relationship with the country, including current and potential cultural, social, trading and tourism links;**
 - (b) the extent to which young Australians will have reciprocal opportunities to benefit from a working holiday in the relevant country, taking into consideration the eligibility criteria for and terms and conditions attaching to the grant of a working holiday visa, as well as the opportunities for gaining work;**
 - (c) Australia's broad objective of increasing links with its regional neighbours;**
 - (d) the overstay rate in Australia of visitors from the particular country; and**
 - (e) the likely impact which an agreement with that country will have on program numbers.**

(paragraphs 4.135 to 4.139)

Administration of the program

It is evident from the statistics, which show increasing demand for working holiday visas to Australia, that knowledge of and interest in the program are increasing overseas without the need for significant promotion by Australian government representatives. By contrast, the much lower number of Australians

travelling overseas as working holiday makers suggests that Australian youth is not as aware of the program and its benefits as it could be.

The value of the working holiday program to Australia will be maximised only if young Australians gain a better appreciation of the opportunities for personal development, cultural appreciation and skills enhancement which the program offers.

Given the current high level of youth unemployment in Australia, it is surprising that overseas working holiday opportunities are not promoted and encouraged more actively as a means of developing skills and acquiring experience which could be useful in the pursuit of future careers. A more strategic approach is required to improve awareness of the working holiday program among Australian youth, leading to greater involvement by Australians in the program.

The Committee recommends that:

- 17. a broadly based working party be established to develop strategies for promoting awareness of the opportunities available to Australians for working holidays in other countries;**
- 18. in developing strategies to increase awareness of overseas working holiday opportunities for Australians, the working party identify and seek to address the nature and source of any obstacles which deter Australians from making greater use of such working holiday opportunities; and**
- 19. as part of any strategy to increase awareness among Australians of working holiday opportunities overseas, relevant information be made available on an appropriate web site of the Internet.**

(paragraphs 4.160 to 4.163)

Working holiday conditions

Visa duration

As the major intention of the working holiday program is to allow for an extended holiday in Australia, with work being incidental to the holiday, a 12 month working holiday visa is appropriate.

A longer visa period could give greater prominence to the work component of the program, as working holiday makers would need additional funds to support their longer stay. This would increase the potential for working holiday makers to affect the job prospects of Australians, as the overall time during which they can work would be extended.

A longer visa period does not accord with the Committee's support for a managed program based on an annual visa limit. It would introduce complexities in determining the annual limit.

Increasing the visa period would impact on health checks which are required for temporary residents who stay beyond 12 months. The costs involved in extending the health checks to working holiday makers would be significant.

As the majority of working holiday makers leave Australia within ten months, existing practice does not indicate demand for additional time in Australia.

A longer visa period will enable working holiday makers to become more closely attached to and settled in Australia. This could make them reluctant to leave at the end of the visa period. The higher overstay rate for working holiday makers when compared with visitors is an indication of the difficulties which could arise if an even longer period of stay were allowed.

The Committee recommends that:

- 20. the working holiday visa continue to allow holders of the visa to stay in Australia as working holiday makers for a maximum of 12 months.**

(paragraphs 5.13 to 5.19)

The work condition

The work condition, which prevents working holiday makers from working for the one employer for more than three months, is critical in ensuring that the focus of the working holiday program remains directed at the holiday component and not the work component. Moving beyond the three month limit would change the intent of the program away from incidental work supplementing a holiday and would establish a more permanent work relationship, to the detriment of Australians seeking jobs.

Given Australia's current level of unemployment, particularly among young people, the Committee was disturbed by suggestions from industry and employer groups that the work limit should be extended so that maximum value could be obtained from the training and employment of working holiday makers. It is precisely because of such suggestions that the Committee is opposed to the extension of the three month work limit.

If longer term jobs are available, even if they are of a temporary or casual nature, and if those jobs involve training provided by employers, then the priority should be to ensure that Australians have access to those jobs. Seeking an extension of the working holiday arrangements in such circumstances is a short-sighted response to a labour market need. Above all, the Committee wishes to avoid the possibility that an extension of the work condition would lead to the working holiday program being used as a form of guest labour.

Opportunities already exist for employers to extend the work period of working holiday makers in appropriate circumstances. The work condition provides for such extensions of time where written permission is obtained from DIMA.

Similarly, there are proper temporary residence processes which can be used to bring in specialised labour where a need is identified. It is those processes which should be used instead of seeking to alter the essential nature of the working holiday program.

As for the problem of employers and working holiday makers circumventing the work condition through the use of affiliated and associated companies, this practice needs to be addressed in order to ensure that the integrity of the working holiday program is not compromised. In the Committee's view, there is no real difficulty if working holiday makers move around Australia and take up casual employment with, for example, the same retail chain in different localities. The Committee's concern is with situations where prior arrangements are made which by their nature guarantee that particular positions will be reserved for working holiday makers or, alternatively, allow working holiday makers to work with associated companies for the duration of their visit.

The Committee also is concerned that some backpackers on visitor visas are able to undertake work either because they are mistaken for or pretend to be working holiday makers. As noted earlier in the report, while there is a lack of statistical evidence on the extent to which this occurs, there is sufficient anecdotal evidence to indicate that this practice exists.

Given that the circumvention and breach of visa conditions can affect the job prospects of Australians, a stronger stand needs to be taken to ensure that employers and those entering Australia temporarily, be they working holiday makers or backpackers on visitor visas, are given an appropriate signal about the seriousness with which these matters are viewed.

The emphasis on voluntary compliance, through DIMA's employer awareness campaign and even through the issuing of more definitive policy statements, will address some of the work related problems of the working holiday program. Voluntary compliance, however, needs to be supported by more substantive measures which can be used to deal with employers who consistently breach relevant conditions.

From the Committee's own experience when visiting regional areas such as Cairns, where the Committee's conduct of a hearing created some anxiety among certain employers, it is evident that a more rigorous compliance response is required from DIMA. The compliance presence needs to be visible in industries and regions where difficulties are being experienced.

In this regard, the Committee notes that, following the Committee's visit to the Cairns region, a tour guide reported that there appeared to be a change of focus among certain tour operators, with greater opportunities opening up for Australian tour guides instead of working holiday makers. While this was only one anecdotal example, it suggests that a more rigorous compliance approach in some of these problem areas may yield some positive results.

The Committee recommends that:

- 21. the existing work condition attaching to a working holiday visa be retained so that working holiday makers are not permitted to work with any one employer for more than three months unless written permission is obtained from the Department of Immigration and Multicultural Affairs;²**
- 22. the Department of Immigration and Multicultural Affairs continue to promote employer awareness of working holiday visa requirements, particularly the work condition, targeting employers in those regional areas which are popular destinations for working holiday makers and backpackers on visitor visas;**
- 23. the Department of Immigration and Multicultural Affairs monitor the incidence of backpackers on visitor visas working illegally and working holiday makers breaching the three month limit with the one employer and, where appropriate, launch prosecutions;**
- 24. enhanced investigatory powers be made available to the Department of Immigration and Multicultural Affairs to enable it to follow up information which indicates that an employer may be employing holders of visitor visas without work rights or working holiday makers in breach of their visa conditions;**
- 25. significant financial penalties be introduced and imposed on employers who, after being advised of their obligations by the Department of Immigration and Multicultural Affairs, employ backpackers on visitor visas who are not entitled to work or continue to employ working holiday makers for longer than the permissible three month period; and**

2 See paragraph 5.73, where the Committee outlines the types of practices which this recommendation should embrace.

26. **ministerial directions be issued which provide that:**
- (a) when assessing applications for a working holiday visa, immigration officers examine carefully any applications where there is a suspicion that the applicant's main intention in coming to Australia is for employment purposes, or the applicant is party to an arrangement which is intended to ensure, or ensures, that an employment position in Australia has been reserved for the applicant; and**
 - (b) when assessing applications from working holiday makers for change of status, especially in employment related categories, immigration officers have particular regard to the history of the sponsoring employer's compliance with the work condition of the working holiday visa.**

(paragraphs 5.68 to 5.79)

Health issues

While there was no specific statistical evidence to suggest that working holiday makers pose any significant health risk to the Australian community, the Committee shares the concern, as expressed in the Australian Government Health Service's submission to the inquiry, that working holiday makers may not be subject to any detailed health check for a period of 24 months. This concern is relevant because working holiday makers tend to work in hospitality and catering, to live in hostels, and some of them may come from countries with a high incidence of contagious diseases. The concern also is relevant because working holiday makers have the capacity to interrupt their stay in Australia, travel to countries in the region where they may be vulnerable to contagious disease, and then return to Australia.

The Committee notes that its predecessor, in its report on Australia's visa system for visitors, recommended that a review be conducted of health issues relating to temporary entry to Australia. This Committee endorses that recommendation and awaits the government's response.

In view of the evidence which suggests that there is a rising incidence of unpaid medical debts by visitors to Australia, including working holiday makers who access the public health system, the Committee considers that the issue of compulsory medical insurance for working holiday makers also should be examined.

The Committee recommends that:

27. **a review of health issues relevant to temporary entry to Australia, as recommended in the report on Australia's visa system for visitors by the Joint Standing Committee on Migration of the 37th Parliament, be commenced within the next 12 months, with health issues relating to working holiday makers to be part of that review; and**
28. **the Department of Immigration and Multicultural Affairs, in consultation with relevant Commonwealth agencies and other interested parties, consider requiring working holiday makers to have medical insurance for the duration of their stay in Australia.**

(paragraphs 5.98 to 5.101)

Sufficient funds

While a few concerns were expressed to the Committee that some working holiday makers may be arriving in Australia without sufficient funds to support themselves, the Committee was not provided with any concrete evidence to indicate that this is a significant problem. Checking of funds on arrival would result in delays in passenger processing without good reason.

The Committee recommends that:

29. **the existing practice of checking working holiday makers' funds on lodgment of their applications be retained.**

(paragraphs 5.106 to 5.107)

Taxation obligations

The Committee was not convinced by arguments for lowering the tax rate for working holiday makers. Any adjustments to tax rates for temporary residents, including working holiday makers, should not be considered in isolation from the general taxation rates applying within the community as a whole.

The Committee endorses the coordinated approach which the ATO and DIMA are pursuing to ensure that working holiday makers pay the appropriate amount of tax. That approach should take into consideration the short period which working holiday makers tend to spend with employers and the implications this has for circumvention of taxation requirements.

In order that employers are not encouraged to employ working holiday makers at the expense of residents, the Committee considers that, at this stage, the superannuation guarantee charge should continue to apply in respect of working holiday makers. However, this position should be considered in light of the general reforms to superannuation announced in August 1996 and proposed for implementation in July 1998.

In the meantime, information on the release of superannuation benefits should be made more readily available to working holiday makers.

The Committee recommends that:

- 30. the base rate of tax payable by working holiday makers on earnings in Australia be retained at the non-resident rate of 29 per cent;**
- 31. the Australian Taxation Office and the Department of Immigration and Multicultural Affairs continue to pursue a cooperative approach to ensuring that working holiday makers pay appropriate rates and amounts of tax;**
- 32. the superannuation guarantee charge continue to apply to working holiday makers, but information on the release of benefits be made more readily available to them; and**
- 33. in the implementation of the superannuation reforms announced in August 1996, consideration should be given to whether working holiday makers who opt to receive equivalent wages and salary rather than superannuation guarantee contributions can receive the money in their weekly wage rather than as a lump sum annually.**

(paragraphs 5.126 to 5.130)

Information for working holiday makers

The Committee recognises that working holiday makers in Australia may not receive, or make adequate use of, the material which is available on the requirements of the scheme or general requirements of people who are employed in this country. Better promotion and presentation of such material may alleviate some difficulties encountered and caused by working holiday makers who are not aware of their entitlements or obligations.

The Committee recommends that:

- 34. the Department of Immigration and Multicultural Affairs, in conjunction with other relevant Commonwealth agencies, review the information which is provided to working holiday makers to ensure that such information:**
- (a) is written and presented in a manner which is targeted at the age range of working holiday makers;**
 - (b) includes a comprehensive summary of requirements which working holiday makers must satisfy while in Australia, including the visa conditions and any obligations, such as taxation obligations, which they will need to meet during their stay;**
 - (c) lists appropriate points of contact for further information about Australia; and**
 - (d) identifies clearly the relevant authorities or agencies which working holiday makers should contact if they require information or experience difficulties while in Australia, particularly in relation to employment, along with the type of information which can be sought from those authorities or agencies.**

(paragraphs 5.147 to 5.148)

The role of working holiday makers in specific industries

Horticultural industry

At a time of high unemployment, particularly among young Australians, it is of considerable concern that some horticulturists must rely on working holiday makers to be their primary source of labour instead of a supplement to the local labour force. The extensive use of working holiday makers in meeting the seasonal labour requirements in some horticultural regions of Australia reflects the desire for a 'quick fix' rather than a longer term solution to the labour market needs of the industry.

The Committee commends those horticultural organisations which, in partnership with government, have developed appropriate strategies for increasing Australian participation in harvest work and reducing their

dependence on working holiday makers. If harvest labour strategies can help to solve harvest labour shortages in the horticultural regions of Mildura, the Goulburn Valley and the Riverina, then there is no reason that they should not be tried in other horticultural areas of Australia facing similar labour problems.

Horticultural areas which are continuing to require large numbers of working holiday makers to meet their seasonal labour requirements must be encouraged to adopt the harvest labour strategies which have proved successful in attracting Australian workers to certain other regions. This can be achieved only if a cooperative approach between government and the horticultural industry is developed further. Particular attention should be directed to those regions in which attempts at establishing a harvest labour office for coordination of recruitment activities have not come to fruition.

The horticultural industry itself needs to adopt a more strategic approach to the labour market issues confronting it. Industry-wide cooperation is necessary to ensure that the successful ideas implemented in one region can be translated to other regions.

One strategy which was of particular interest to the Committee was the revival of the harvest trail concept as a means of providing unemployed Australians with continuing work opportunities in the horticultural industry. Evidence to the Committee from some horticultural organisations, which have assisted in coordinating work for pickers in other regions after the end of their own harvest season, suggested that such efforts could be expanded on an industry-wide basis, so that information on year-round harvest work is available to encourage unemployed Australians to take up work in the horticultural industry.

The Committee recommends that:

- 35. harvest labour strategies which have proved to be successful in encouraging unemployed Australians to take up harvest work, and which have helped to reduce dependence on working holiday makers in some horticultural regions of Australia, be implemented in horticultural regions which continue to rely extensively on working holiday makers for seasonal labour;**
- 36. in order to ensure effective coordination of harvest labour recruitment and a reduction in the horticultural industry's dependence on working holiday makers, appropriate government support be provided to allow for the maintenance of existing harvest labour offices and the establishment of new offices in regions with seasonal labour needs; and**

37. **a coordinated national strategy for harvest labour recruitment be developed by representative organisations of the horticultural industry in order to reduce the industry's dependence on working holiday makers and to provide unemployed Australians with year-long work either in a particular region or across a variety of regions.**

(paragraphs 6.29 to 6.34)

Tourism industry

Tour guides

Continuing problems associated with temporary residents, particularly working holiday makers, being employed as tour guides have the potential to bring the working holiday program and the tourism industry into disrepute. While those problems, which include breaches of visa conditions and allegations of Australians missing out on jobs, were identified in relation to specific regions of Queensland, they could have wider ramifications if they remain unresolved.

It is inappropriate that temporary residents, including working holiday makers, have come to play such a significant role in the tour guide sector of the Australian tourism industry. Evidence from regions such as Cairns and the Gold Coast indicates that Australians are being placed at a disadvantage as a result of the attitudes and practices of some employers within the industry who are taking the convenient and sometimes cheaper option of employing working holiday makers in preference to Australians.

The Committee is particularly concerned that the tourism industry is doing itself a disservice by relying too heavily on Japanese temporary residents, including working holiday makers, to act as tour guides for Japanese clients. Working holiday makers generally do not have an appropriate level of knowledge about Australian culture, society, geography and history. Such knowledge is vital in ensuring that tourists are provided with a uniquely Australian experience during their visit. In addition, working holiday makers generally do not have any significant experience in being a tour guide.

The lack of accreditation within the tour guide sector exacerbates the problem, because temporary residents such as working holiday makers do not have to demonstrate any knowledge of Australia before they can work as tour guides. Disturbing evidence provided to the Committee indicated that some working holiday makers even have been able to gain work as driver-guides without proper testing of driving skills. This not only reflects on the professionalism of the tourism industry, but also has serious safety implications for tourists and the community as a whole.

While the Committee acknowledges that the tourism industry requires people with well-developed language skills, the working holiday program and other temporary residence categories should not be viewed as a long-term source for such people. The working holiday program currently may be a convenient source of employees who can speak foreign languages fluently, but it does not provide a viable long-term solution to a labour market need.

The solution to the tour guide issue should not be sought within the working holiday program. Instead it requires a concerted effort on behalf of the tourism industry, in cooperation with government and unions, to provide a forward looking framework for addressing the needs of the industry.

The Committee recommends that:

- 38. in order to resolve existing difficulties associated with the employment of temporary residents, including working holiday makers, in the tourism industry, particularly as tour guides:**
- (a) the working holiday program not be used as a primary mechanism for meeting the tourism industry's need for bilingual and multilingual staff;**
 - (b) a working party, involving tourism industry, government and union representatives, be established to develop appropriate Technical and Further Education (TAFE) courses and labour market strategies which will lead to the staffing needs of the tourism industry being met principally through the employment of Australians; and**
 - (c) the working party commission a detailed study of the tour guide occupation, as a basis for developing appropriate labour market strategies to foster the employment of Australians as tour guides;**
- 39. within three years, a mandatory accreditation system for tour guides be introduced to ensure that tour guides are skilled appropriately and have adequate knowledge of Australian culture, society, geography and history;**

- 40. within three years, a labour agreement for tour guides be established which would:**
- (a) allow for the temporary entry to Australia of a specified number of persons with specialised skills relevant to tour guide work where employers demonstrate the existence of a skill shortage which cannot be addressed in a timely manner through the training of Australians; and**
 - (b) provide a commitment by employers to employ and train Australians to acquire the requisite skills for bilingual and multilingual tour guide positions; and**
- 41. if a labour agreement, as outlined in recommendation 40, is not established within three years, consideration be given to restricting temporary residents, including working holiday makers, from employment as tour guides.**

(paragraphs 6.73 to 6.79)

Sales staff in duty free stores

Just as there is a need to develop appropriate strategies for addressing the tourism industry's long-term requirement for tour guides who have well-developed language skills, there also is a need to develop strategies to address the requirement for bilingual and multilingual staff in other tourism related areas, such as duty free sales. Evidence from the Australian Duty Free Operators Association made it clear that the tourism industry's dilemma regarding the employment of people with adequate language skills is not confined to the tour guide occupation. This has been recognised by the Committee in its proposal to establish a broadly based working party to consider these matters across the tourism industry, as outlined in recommendation 38. Of particular importance is the need to develop strategies which will provide improved career paths within the tourism industry, so that more Australians with well-developed language skills are attracted to the various sectors of the industry.

(paragraph 6.84)

Chapter One

The inquiry

Introduction

1.1 On 13 June 1996, the Joint Standing Committee on Migration (the Committee) adopted terms of reference for an inquiry into working holiday visas. The terms of reference are provided at page xi. The inquiry was adopted in accordance with the Committee's resolution of appointment, which enables the Committee to inquire into and report upon regulations made or proposed to be made under the *Migration Act 1958*.

1.2 The purpose of the inquiry was to examine the appropriateness of the arrangements under which young people from overseas are able to undertake an extended holiday in Australia and supplement their funds through incidental work. The Committee also was interested in the reciprocal opportunities young Australians have to participate in working holidays overseas.

1.3 The principal task of the Committee was to assess the impact of the working holiday program on the Australian community, particularly the Australian labour force, and to determine whether the scope of the program and the criteria and conditions attaching to the grant of working holiday visas are appropriate and adequate.

1.4 The Committee also investigated the extent of compliance with visa conditions. This included an examination of the extent to which working holiday makers abide by the intention that work is incidental to their holiday.

1.5 As a primary objective of the working holiday program is to enhance understanding and mutually beneficial contacts between Australia and other countries, a significant issue for the Committee was whether that objective is reflected appropriately in the current operation of the program.

1.6 In addition, since reciprocity is an important premise of the working holiday program, the Committee also examined the adequacy and effectiveness of existing working holiday agreements between Australia and other countries. The Committee was eager to ensure that Australians have equivalent opportunities to benefit from the working holiday experience.

1.7 The Committee also considered the scope for expanding the program to involve additional countries with which Australia has shared interests.

Background to the inquiry

1.8 Australia's working holiday program has been in existence since 1975, when an informal agreement was established to allow young citizens of the United Kingdom to undertake a working holiday in Australia. At that time, young Australians already had the opportunity to travel to the United Kingdom as working holiday makers.

1.9 Over the past two decades, the number of countries with which Australia has entered into working holiday agreements has increased to seven. In addition, the overall number of working holiday makers arriving in Australia has increased significantly, from a figure of below 20 000 in the early 1980s to a total of 40 273 by 1995-96.¹

1.10 As the working holiday program has increased in popularity, concerns have been raised about the impact of the program on the Australian community. In 1983, for example, the then Minister for Immigration and Ethnic Affairs, the Hon Stewart West, MP, raised concerns about an imbalance in the number of working holiday makers arriving in Australia compared with the number of Australians participating in working holidays overseas. The then Minister also expressed concern about the number of working holiday makers who were able to stay in Australia by changing their status on occupational grounds, indicating that it was in danger of becoming 'a back door migration scheme'.²

1.11 More recently, some concerns have been raised about the impact of working holiday makers on the job prospects of Australians. In 1991, following the release of a National Population Council report on the working holiday program, it was noted in the Parliament that the Australian Council of Trade Unions (ACTU) was concerned about the size of the program. In particular, there were some suggestions that the program was not being monitored adequately to ensure that workers were not being exploited and that Australians were not being displaced from employment by working holiday makers.³

1.12 Employment related concerns also were raised in 1995 during the inquiry by this Committee's predecessor into Australia's visa system for visitors. Allegations were made to the Committee of the 37th Parliament that some working holiday makers breached their visa conditions by working for the same employer for more than three months. It also was alleged that some employers exploited the working holiday arrangements by using working holiday makers as a form of contract labour or paying them under-award wages. There were

1 Evidence, p. S316.

2 The Parliament of the Commonwealth of Australia, House of Representatives, Parliamentary Debates (Hansard), 14 September 1983, p. 762.

3 The Parliament of the Commonwealth of Australia, The Senate, Parliamentary Debates (Hansard), 18 February 1991, p. 688.

particular concerns about the employment of Japanese working holiday makers as tour guides, especially in Queensland, and the difficulty this was creating for the employment prospects of Australians.⁴

1.13 In its January 1996 report, the Committee of the 37th Parliament recognised that these problems could have adverse consequences for the Australian labour market. That Committee stated:

Australian residents can find, for example, that this use of the working holiday maker arrangements effectively restricts their access to certain occupational sectors, such as the tourism industry.⁵

1.14 As the working holiday program was not the major focus of the visitor visa inquiry, and because appropriate consultations on the working holiday arrangements could not be made with all relevant parties, the previous Committee recommended that a comprehensive review of the working holiday arrangements be undertaken in the following Parliament.⁶ That recommendation was implemented with the establishment of this inquiry.

1.15 In adopting the inquiry, the Committee also was cognisant of some concerns which had arisen following the introduction in December 1995 of a cap on the number of working holiday visas to be granted annually. The Committee was aware that representatives of the tourism and horticultural industries were critical of the limit applied to working holiday visas. The inquiry provided the opportunity for detailed public consultation on the scope of the program, as well as the criteria and conditions relevant to it.

Conduct of the inquiry

1.16 The terms of reference for the inquiry were advertised in various capital city newspapers on 26 June 1996 and in 23 ethnic community newspapers in June and July 1996. A media release, which outlined the principal matters of interest to the Committee, was issued on 11 July 1996 and attracted radio and newspaper coverage.

1.17 The Committee wrote to a range of individuals and organisations inviting submissions. These included federal parliamentarians, State and Territory governments, Commonwealth government departments and agencies, tourism industry and hospitality organisations, horticultural representatives, employer and industry groups, trade union organisations, academic institutions, youth organisations and other community representatives. The Committee also

4 Joint Standing Committee on Migration, *Australia's Visa System for Visitors*, Australian Government Publishing Service (AGPS), Canberra, 1996, pp. 209-211.

5 *ibid.*, p. 213.

6 *ibid.*, p. 214.

advised diplomatic missions of foreign countries about the inquiry and invited them to submit any relevant comments or information.

1.18 The Committee received 95 submissions, which are listed at Appendix One. The Committee also received 14 exhibits, which are listed at Appendix Two.

1.19 Evidence was taken at public hearings held in Canberra, Sydney, Brisbane, Townsville, Cairns, Melbourne and Mildura. The dates of those hearings are detailed at Appendix Three. A list of witnesses who gave evidence is provided at Appendix Four. Some evidence was taken in camera.

1.20 While in Cairns, the Committee made a number of informal inspections. It visited a backpacker resort, where it was able to speak to staff and working holiday makers. The Committee also visited a duty free store, where it had discussions with the manager about staff and tourism related issues. At the Cairns office of the Commonwealth Employment Service (CES), the Committee spoke informally to staff about the impact of working holiday makers on employment in the region. The Committee is grateful to all the people it met during its visit to Cairns. The discussions it held provided much useful information relevant to the inquiry.

1.21 When the public hearing program was completed, the Committee conducted a workshop on major issues which had arisen during the inquiry. Participants were from Commonwealth government departments most concerned with the working holiday program, namely the Department of Immigration and Multicultural Affairs (DIMA), the Department of Employment, Education, Training and Youth Affairs (DEETYA), the Department of Foreign Affairs and Trade (DFAT), and the Department of Industry, Science and Tourism (DIST). The workshop enabled the Committee to explore in further detail some of the complex issues and contrasting proposals put to it during the inquiry.

1.22 In addition to the above evidence, a research paper was prepared for the Committee on overseas practice relevant to working holiday visas. The paper was produced by the Committee's parliamentary intern, Ms Susan Sare, who participated in the parliamentary internship program at the Australian National University. The research paper forms part of the evidence tabled in the Parliament in conjunction with this report. The Committee is grateful to Ms Sare for the work which she produced. The Committee also appreciates the assistance provided to Ms Sare by officers of DFAT and by representatives of various overseas missions.

1.23 The evidence provided to the Committee, including the volumes of submissions and the transcripts from the public hearings and workshop, are available from the Committee secretariat and at the National Library of Australia. The term 'Evidence' is used in footnotes to denote extracts from the submissions and transcripts. The letter 'S' preceding a page number denotes evidence from the volumes of submissions. The letter 'M' before a page number signifies evidence from the transcripts of the public hearings and workshop.

Inquiry definitions

1.24 A variety of terms and phrases relevant to the working holiday program, which were used during the inquiry and which are referred to in this report, warrant some explanation. These are detailed below.

Working holiday maker

1.25 The phrase 'working holiday maker' (abbreviated to 'WHM') is used to describe those individuals who are the holders of a working holiday visa. During the inquiry, some people referred to working holiday makers as 'backpackers'. It is important to note that the terms 'working holiday maker' and 'backpacker' are not interchangeable. The tourism industry definition of a backpacker is anyone who stays in a backpacker hostel.⁷ This can include holders of visitor visas and holders of working holiday visas. The important difference between the two is that people who hold working holiday visas are eligible to undertake work in Australia, while people who hold visitor visas are not eligible to work. Estimates suggest that over 200 000 backpackers travelled to Australia in 1995 and 1996.⁸ Among that group would have been a significant proportion of the 40 237 people granted working holiday visas in 1995-96.⁹

Agreement countries

1.26 The term 'agreement countries' is used interchangeably with 'arrangement countries' and refers to those countries with which Australia has entered into reciprocal working holiday agreements or arrangements (currently the United Kingdom, Canada, the Republic of Ireland, Japan, the Republic of Korea, Malta and the Netherlands).¹⁰ While the agreements are not uniform, they provide the framework for young people from the relevant countries to undertake a working holiday in Australia and for young Australians to undertake working holidays in the specified countries.

Benefit criterion

1.27 Under the existing criteria for the grant of a working holiday visa, applicants from non-agreement countries, and applicants from agreement countries who are aged between 26 and 30, must show that their entry to Australia as a working holiday maker would be of benefit to the applicant and to

7 Evidence, p. M384; see also Australian Tourist Commission, *Backpacking—It's a state of mind*, April 1995, pp. 1-2.

8 Bureau of Tourism Research, *International Visitor Survey*, December quarter 1995 and December quarter 1996.

9 Evidence, p. S316.

10 Evidence, pp. S315-S316.

Australia.¹¹ Applicants needing to satisfy this criterion, referred to as either the 'benefit criterion' or 'benefit test', are assessed mainly on whether their personal qualities and proposed activities in Australia are likely to enhance both their own and local residents' understanding of each other's cultures.¹²

Work condition

1.28 Working holiday visas are granted subject to the work condition set down in the Migration Regulations (clause 8108 of Schedule 8). The work condition stipulates that working holiday makers must not be employed by any one employer for more than three months unless prior, written permission is obtained from DIMA.¹³

Report structure

1.29 This report presents a comprehensive analysis of Australia's working holiday program. It comprises:

- an overview of the program, including its objectives, criteria and conditions, relevant statistical outcomes and a comparative analysis with the working holiday arrangements of other countries (Chapter Two);
- an assessment of the impact of working holiday makers on the Australian community (Chapter Three);
- an examination of the scope of the working holiday program, focusing on program numbers and issues of access and eligibility (Chapter Four);
- consideration of the conditions applying to working holiday makers, including time limits, the work condition, other relevant requirements and issues of compliance with those conditions (Chapter Five); and
- an examination of issues arising from the role of working holiday makers in specific industries (Chapter Six).

11 Evidence, p. S317.

12 DIMA, *Procedures Advice Manual* 3, Issue 14, 29 May 1996, Schedule 2—Visa 417, 417.214(2)(b).

13 Evidence, p. S319.

Chapter Two

The working holiday program

Introduction

2.1 Temporary entry to Australia is available under three broad categories—visitors, overseas students and temporary residents. Working holiday makers are part of the group of temporary residents.

2.2 Australia's temporary residence program seeks to facilitate the entry of persons who benefit the Australian community by contributing to its economic, cultural or social development. Non-citizens entering Australia as temporary residents include:

- people with specialist skills, such as management executives, academics and medical practitioners;
- business personnel;¹
- people who make a social or cultural contribution to the community, such as entertainers, media and film staff, sports people, religious workers, visiting academics and public lecturers; and
- people who contribute to the development of international relations, such as diplomatic personnel, participants in exchange programs and working holiday makers.²

2.3 As noted in Chapter One, the working holiday program is targeted at young people who wish to have an extended holiday in Australia and undertake incidental work in order to supplement their funds and have closer contact with the community. It also provides a reciprocal basis upon which young Australians can have working holidays overseas.

1 Temporary business entrants have been included in the temporary residence program since 1 November 1995, in response to the recommendations of the 1995 Committee of Inquiry into the Temporary Entry of Business People and Highly Skilled Specialists (the Roach Committee). Prior to that date, they were defined as visitors rather than temporary residents.

2 DIMA, Fact Sheet No. 7, Temporary Residence in Australia, 11 March 1996, Canberra.

2.4 In this chapter, the Committee outlines Australia's working holiday program. It examines the origins and objectives of the program, as well as the criteria and conditions governing the grant of working holiday visas. As a basis for its evaluation of the program in later chapters of the report, the Committee details the statistical outcomes of the program to date, including a profile of working holiday makers. It also examines how the working holiday programs of other countries compare with Australia's program.

Establishment of the program

2.5 Australia's working holiday program commenced on 1 January 1975, at the same time as the universal visa system was introduced. From that date, all non-citizens (except New Zealand citizens) were required to obtain a visa in order to travel to, enter and remain in Australia. Previously, Commonwealth and Irish citizens of European descent were exempt from the visa requirement.³

2.6 In order to preserve pre-existing arrangements under which young Australians were permitted to enter the United Kingdom for working holidays, a reciprocal arrangement was introduced to enable young British citizens to undertake working holidays in Australia. In 1975, the working holiday arrangement also was extended to Canada and the Republic of Ireland. These two countries offered reciprocal rights to Australians in 1977 and 1985 respectively. Subsequently, the number of agreement countries was increased, as Australia entered into reciprocal arrangements with Japan in December 1980, the Netherlands in January 1981, the Republic of Korea in 1995 and Malta in 1996.⁴ As discussed later in the report, Australia is continuing discussions with a number of other countries on the establishment of reciprocal working holiday agreements.

2.7 The program was established principally for young people from agreement countries. However, nationals of other countries also were given the opportunity to apply for a working holiday visa, subject to more restrictive requirements (see paragraphs 2.13 to 2.16). Young Australians did not gain any reciprocal working holiday rights in countries which did not have working holiday agreements with Australia.

Objectives

2.8 The principal objective of the working holiday program is to promote international understanding by enabling young people to experience the culture of another country. By allowing young people to remain in Australia for an extended period of time and to experience closer contact with the community through incidental work, the program provides the opportunity to gain a better

3 Evidence, p. S315.

4 Evidence, pp. S315-S316.

appreciation of Australia, its people and their culture, and to promote mutual understanding between Australia and other countries. By emphasising that reciprocal opportunities should exist for young Australians to experience working holidays overseas, the program also seeks to ensure that the objectives of enhanced cultural appreciation and mutual understanding apply equivalently to young Australians.⁵

2.9 While the primary focus of the program has been on promoting mutual understanding between Australia and other countries, over time the program has experienced some changes in emphasis. Certain additional objectives have been developed, particularly in response to economic considerations.

2.10 When it first commenced, a parallel aim of the program was to provide the opportunity for potential young migrants to experience the Australian lifestyle before making a decision to migrate permanently. According to DIMA, the working holiday program was used to 'attract potential future migrants'.⁶ While the program still may offer that opportunity, the objectives enunciated by DIMA in its submission to the inquiry did not include attraction of future migrants as a current aim of the program.⁷

2.11 The emphasis instead has shifted to the economic benefits which can accrue as a result of enhancing mutual understanding between Australia and other countries. In its submission, DIMA suggested that, alongside its cultural focus, the other objectives of the program are to:

- enhance long term prospects for trade and cooperation between Australia and working holiday maker source countries; and
- develop further Australia's tourism industry.⁸

2.12 DIMA told the Committee that an additional objective of the program is to supplement the work force, particularly in industries with peak seasonal needs, but without limiting opportunities for unemployed Australians.⁹ This objective gives increased prominence to the work related aspects of the program. This was a contentious issue during the inquiry and is discussed in detail in later chapters.

5 Evidence, p. S315.

6 Evidence, p. S315.

7 Evidence, p. S315.

8 Evidence, p. S315.

9 Evidence, p. S315; see also Minister for Immigration and Multicultural Affairs, Media Release MPS 1/96, 23 March 1996, Canberra.

Criteria

2.13 The criteria which must be satisfied in order to obtain a working holiday visa are set down in the Migration Regulations (Schedule 2, Subclass 417). Those criteria indicate that young people aged 18 to 25 from countries with which Australia has working holiday agreements are the primary target of the program.

2.14 Age is one of the main criteria relevant to the grant of a working holiday visa. The Migration Regulations specify that a working holiday visa can be granted only if applicants are:

- from an agreement country and have turned 18 but have not turned 26;
- from an agreement country, have turned 26 but not 31, and can demonstrate that their entry would be of benefit to Australia and themselves; or
- from a non-agreement country, have turned 18 but not 26, and can demonstrate that their entry would be of benefit to Australia and themselves.

2.15 The benefit criterion is one of the principal means by which the focus of the program has been maintained on 18 to 25 year olds from agreement countries. The assessment of that criterion is discussed further at paragraphs 2.28 to 2.30.

2.16 In addition to meeting the age and benefit criteria, applicants for a working holiday visa must not have dependent children, must not have entered Australia previously as the holder of a working holiday visa, and must satisfy relevant health and character criteria. They also must demonstrate that:

- their main reason for coming to Australia is for a holiday and that any work undertaken is incidental to that holiday;
- they have a reasonable chance of obtaining employment in Australia; and
- they have sufficient funds for a fare to their next intended overseas destination and for personal support during their stay.

Conditions

2.17 The Migration Regulations set down various conditions relevant to the grant of a working holiday visa. Those conditions emphasise that the principal objective of the program is an extended holiday, with work being incidental to that holiday.

Time limits

2.18 Working holiday visas allow for a period of stay in Australia of up to 12 months. A working holiday maker who, after arrival in Australia, uses some of his or her time to visit other countries in the region may apply for an extension of time in order to reach the total of 12 months' maximum stay. Such applications may be lodged from within Australia.

2.19 When applicants are granted a working holiday visa, their date of first entry to Australia must be within 12 months of the date of visa issue. This condition came into effect in April 1996. Prior to that date, working holiday visas expired 13 months after their date of issue. According to DIMA, the requirement was changed because there were large numbers of working holiday makers who did not travel to Australia immediately after their visas were issued, but instead first entered Australia several months after visa issue. Under the previous 13 month validity rule, those people then had to apply from within Australia for additional time in order to make up the allowable 12 months of stay.¹⁰

Work condition

2.20 The Migration Regulations provide that working holiday makers are not allowed to remain in full-time work with any one employer for more than three months unless written permission is obtained from DIMA (condition 8108). DIMA policy guidelines, discussed in further detail later in this chapter, indicate that working holiday makers should have a holiday in and travel around Australia rather than work for lengthy periods. There is, however, no legislative provision which prevents working holiday makers from working for lengthy periods, as long as they do not work for the same employer for more than three months.

Study

2.21 Working holiday makers are not allowed to undertake any studies in Australia other than an English language course. Policy guidelines indicate that working holiday makers may enrol in full-time English language courses of up to 12 weeks' duration (or an equivalent period of part-time English study), provided that study is not the primary purpose of their stay in Australia.¹¹

10 Evidence, p. M535.

11 Evidence, p. S319.

Change of status

2.22 Persons who enter Australia with a working holiday visa can change status by applying from within Australia for another class of visa, if they meet the requisite criteria. However, persons who have entered Australia with another visa, such as a visitor visa, cannot apply from within Australia for a working holiday visa.

Lodgment of applications

2.23 The Migration Regulations establish specific requirements for the lodgment of an application for a working holiday visa. Those requirements provide additional restrictions aimed at limiting the scope of the program and maintaining its emphasis on agreement countries.

2.24 A non-citizen wishing to obtain a working holiday visa must apply at a relevant Australian mission overseas and must pay a non-refundable fee of \$145. The only applications which can be lodged from within Australia are by non-citizens who enter Australia with a working holiday visa, travel to other countries in the region during the 12 months the visa is valid, subsequently return to Australia and apply for additional time to make up a total of 12 months' stay in Australia.

2.25 In relation to the original application for a working holiday visa, only citizens of the United Kingdom, the Republic of Ireland, the Netherlands and Canada may apply from any country (outside Australia). The citizens of other countries must apply in their country of citizenship.

2.26 It is relevant to note that only citizens from four of the seven agreement countries can lodge an application for a working holiday visa from any country. The citizens of Japan, the Republic of Korea and Malta must apply for a working holiday visa in their own country, even though each of those countries has a working holiday agreement with Australia. When questioned on the reason for the difference in approach between agreement countries, DIMA indicated that it essentially reflected a 'quirk or accident of history', but also could be related to a tightening of the working holiday program in recent times.¹²

Assessment of applications

2.27 Applications for working holiday visas are determined by DIMA officers located at Australian overseas missions, or by DFAT officers at those posts without DIMA officers. DIMA's Procedures Advice Manual provides guidance on the way in which the criteria for the grant of a working holiday visa

12 Evidence, p. M538.

are to be assessed. A decision made at an overseas post to refuse a working holiday visa is not reviewable.

Benefit criterion

2.28 For those applicants who must demonstrate that the grant of a working holiday visa would be of benefit to Australia and themselves, the Procedures Advice Manual advises decision makers that they should consider whether the applicant's personal qualities are likely to lead to an enhanced understanding on the part of both the applicant and local residents of each other's respective cultures. Decision makers are told:

Applicants with personal qualities of self-reliance, adaptability, resourcefulness and open-mindedness are generally considered likely to contribute to such enhanced understanding.¹³

2.29 Factors to be taken into account when assessing whether the applicant's entry meets the benefit criterion include but are not limited to:

- the applicant's prospects of assuming a position in life in his or her home country for which the applicant could use an enhanced knowledge and understanding of Australia to work to Australia's benefit into the future; and
- whether an Australian has a reciprocal opportunity to gain benefits from a stay in an overseas country.¹⁴

2.30 Applicants from agreement countries aged between 26 and 30 need to demonstrate that special circumstances apply in order to satisfy the 'benefit to Australia' criterion. Such special circumstances could include the applicant's potential to promote Australia's interests or the fact that the applicant had to delay applying for a working holiday visa because of compulsory national service commitments. The latter is regarded as distinct from a delay in applying for a visa due merely to career considerations. Without elaborating on the meaning of 'career considerations', the Procedures Advice Manual advises that a delay in applying for a visa for career considerations alone should not in itself be regarded as constituting special circumstances.¹⁵

13 DIMA, *Procedures Advice Manual* 3, Issue 14, 29 May 1996, Schedule 2—Visa 417, 417.214(2)(b).

14 *ibid.*

15 *ibid.*

Employment prospects

2.31 In assessing whether an applicant satisfies the criterion of having a reasonable prospect of obtaining employment in Australia, decision makers are advised to balance the applicant's skills, work experience and/or trade qualifications (if any) with personal qualities such as self-reliance and resourcefulness.¹⁶

Sufficient funds

2.32 In order to satisfy the criterion of having sufficient funds for the fare to their next overseas destination, applicants are required to provide documentation which can include but need not be limited to passbooks, account statements or letters from relevant banks or other financial institutions. This documentation must satisfy the decision maker that:

- the applicants have enough money to purchase a ticket for travel to their intended overseas destination on leaving Australia; and
- the sum of money is in addition to their capacity to support themselves while in Australia.¹⁷

2.33 As for the requirement that applicants have sufficient funds to support themselves during their stay, decision makers are advised that, because working holiday makers are able to supplement their funds through incidental work in Australia, this requirement should be assessed only in relation to the initial stages of the working holiday. In the Procedures Advice Manual, it is noted that the amount of money which may be considered sufficient for personal support will vary according to factors such as the proposed length of stay, the extent of travel proposed, and the extent to which accommodation and assistance in meeting other living expenses will be provided by relatives and friends in Australia during the initial stages of the working holiday. A figure of \$A3 000 (in addition to the airfare to the next overseas destination) is suggested as sufficient to cover the costs of the initial stages of a working holiday where the applicant intends a total stay in Australia of six months.¹⁸

16 *ibid.*, 417.216(c).

17 *ibid.*, 417.216(b)(i).

18 *ibid.*, 417.216(b)(ii).

Work condition

2.34 When assessing a working holiday application, decision makers are required to ensure that the principal purpose of the visit is to holiday in Australia, with work being incidental to that holiday. The Procedures Advice Manual provides guidance on the type of arrangements which would be regarded as incidental employment within the spirit of the program. These include but are not limited to:

- a period of full-time or part-time work with one employer in one town or city, followed by a period of holiday, followed by a period of full-time or part-time work with a different employer in a different town or city (provided no period of employment exceeds three months); or
- a period of full-time work with one employer in one town or city, followed by a period of holiday, followed by a period of work with the same employer (provided the total period of employment by that one employer does not exceed three months); or
- a period of full-time work, followed by a period of holiday, followed by a period of part-time work in another location and with a different employer.¹⁹

2.35 The Procedures Advice Manual states that where there is evidence to suggest that the principal purpose in visiting Australia is other than a holiday, the applicant should be invited to apply for a more appropriate temporary resident visa. In this regard, it is suggested that the following arrangements generally should not be regarded as consistent with incidental employment:

- unbroken periods of employment with different employers in the same field of business in the same town or city on a rotational basis;
- periods of employment with one employer followed every three months by periods of resignation or leave; and
- periods of employment with branches of the same employer's business in the same or different towns or cities.²⁰

19 *ibid.*, 417.216(a).

20 *ibid.*

Permission to extend work

2.36 Guidance also is given to decision makers on the circumstances in which they may grant permission for working holiday makers to work with the same employer for more than three months. Such requests must be made by the working holiday maker in writing to DIMA within the three month period the applicant is working with the relevant employer. The applicant is required to outline the reasons he or she is seeking permission to work beyond three months with the same employer and the period of time he or she wishes to continue working for that employer.²¹

2.37 While each request is to be considered on its merits, DIMA guidelines indicate that the general policy is not to encourage work beyond three months with the one employer. Decision makers are advised not to give permission to extend work where to do so would appear contrary to the purpose of the working holiday scheme or overall temporary residence policies. The Procedures Advice Manual indicates that, in appropriate circumstances, working holiday makers wishing to work longer for the same employer are expected to apply for a more appropriate visa, such as a specialist visa.²²

2.38 When assessing a request to extend work with the same employer, decision makers are expected to take into consideration matters such as:

- the degree to which giving permission to work may be contrary to the intention that the principal purpose of the visit should be to spend a holiday in Australia;
- whether departmental records suggest that the employer appears to be using the working holiday program to recruit overseas workers to the detriment of the Australian labour market; and
- whether the visa holder has failed to abide by the work condition by already having worked beyond the three month limitation.²³

2.39 The Procedures Advice Manual states that a visa holder who has failed to abide by the work condition should not be given permission to work beyond three months, even if the breach of the visa does not lead to cancellation of the visa. In addition, decision makers are advised that where permission is given to work beyond three months with the one employer, this should be for a

21 *ibid.*, 'Further guidelines', paragraph 2.4.

22 *ibid.*, paragraphs 2.6-2.7.

23 *ibid.*, paragraph 2.7.

limited period only. It is envisaged that there would be few circumstances where permission to extend work should be given for more than a few weeks.²⁴

2.40 A decision granting or refusing permission to extend work must be provided in writing to the working holiday maker outlining the reasons for the decision. A decision refusing permission is not merits reviewable.²⁵

Program numbers

2.41 In the two decades since the establishment of the working holiday program, the number of working holiday makers entering Australia has increased significantly. In 1975-76, the first full year of the program's operation, 1 855 working holiday makers were admitted to Australia.²⁶ By 1982, the number of working holiday visas issued had increased to 18 365.²⁷ In the late 1980s and into the 1990s, there was substantial growth in the number of working holiday visas issued, rising to a high of 45 136 in 1988-89. While the number fell back during the early 1990s to below 30 000, recent figures show growing interest in the program, with 40 273 visas issued overseas in 1995-96 (see Table 1).²⁸

2.42 Prior to 1 December 1995, there was no limit on the number of working holiday visas which could be issued overseas annually. Essentially, the program was demand driven, with various factors restricting the number of persons entering Australia as working holiday makers. Those factors included:

- the criteria for the grant of a working holiday visa, particularly the benefit criterion, which makes it difficult for nationals of non-agreement countries and nationals of agreement countries aged between 26 and 30 to obtain a working holiday visa;
- economic circumstances in Australia and overseas, with the recession in the late 1980s affecting people's ability to travel to Australia and people's perceptions about the likelihood of finding casual employment in Australia to supplement their travel funds; and
- lack of knowledge about the program, particularly in countries which do not have working holiday agreements with Australia.

24 *ibid.*, paragraphs 2.7-2.8

25 *ibid.*, paragraphs 2.10-2.12.

26 Department of Immigration and Ethnic Affairs, *Review of Activities to 30 June 1976*, AGPS, Canberra, 1976, p. 14.

27 Department of Immigration and Ethnic Affairs, *Review of Activities to 30 June 1983*, AGPS, Canberra, 1983, p. 34.

28 Evidence, p. S316.

2.43 On 1 December 1995, the then Minister for Immigration and Ethnic Affairs, Senator the Hon Nick Bolkus, announced that the program would be capped at 38 000 for 1995-96, with 33 000 working holiday visas to be granted overseas and 5 000 available for those working holiday makers wishing to extend their stay to a total of 12 months in Australia. The cap was introduced in response to growing interest in the program, with the number of working holiday visas granted offshore increasing by 20 percent between 1993-94, when 29 595 visas were granted, and 1994-95, when 35 391 visas were issued (see Tables 1 and 2). According to the then Minister, the cap was introduced to control better the impact of working holiday makers on opportunities for the long-term unemployed in Australia.²⁹

2.44 Following representations from industries which rely on casual labour at peak times (such as the horticultural and hospitality industries),³⁰ the current Minister for Immigration and Multicultural Affairs (the Minister), the Hon Philip Ruddock, MP, announced on 23 March 1996 that the number of working holiday makers who could be granted visas overseas in 1995-96 would be raised from 33 000 to 42 000.³¹ The limit applying to onshore grants (for those seeking to bring their total stay to 12 months) remained at 5 000. The actual outcome for 1995-96 was 40 273 offshore and 4 892 onshore grants. The 1996-97 program was capped at 50 000 working holiday visa grants overseas and 6 000 grants onshore.³²

2.45 On 12 August 1997, the Minister announced that the 1997-98 program would be capped provisionally at 55 000 working holiday visas granted offshore. The Minister indicated that he had decided to set a provisional cap pending the outcome of the Committee's inquiry.³³

2.46 Recent figures provided by DIMA also show an imbalance in working holiday makers visiting Australia compared with Australians travelling overseas as working holiday makers. In 1995, 22 500 Australians were granted working holiday visas compared with the 40 273 working holiday visas to Australia issued offshore in the 1995-96 financial year.³⁴

29 Minister for Immigration and Ethnic Affairs, Media Release B129/95, 1 December 1995, Canberra.

30 For example, the Murrumbidgee Irrigation Area Council of Horticultural Associations, the Riverland Horticultural Council, Backpackers Resorts of Australia Pty Ltd, and the Australian Tourist Commission (Evidence, p. S317 and p. S501).

31 Minister for Immigration and Multicultural Affairs, Media Release MPS 1/96, 23 March 1996, Canberra.

32 Evidence, p. S317.

33 Minister for Immigration and Multicultural Affairs, Media Release MPS 80/97, 12 August 1997, Canberra.

34 Evidence, p. S316 and p. S342.

Table 1

Working Holiday Visas Granted Overseas

Year	Grants	% variation
1988/89	45 136	
1989/90	41 538	-8.0
1990/91	39 923	-3.9
1991/92	25 873	-35.2
1992/93	25 557	-1.2
1993/94	29 595	+15.8
1994/95	35 391	+19.6
1995/96	40 273	+13.8

Source: Evidence, p. S316

Table 2

**Visa Issue: Agreement and non-agreement countries
Offshore Grants**

Post of Visa Issue	1993/94	1994/95	1995/96
United Kingdom	17 085	17 915	20 526
Japan	5 256	6 117	5 590
Canada	2 506	2 928	3 420
Ireland	2 381	3 395	4 316
Netherlands	1 635	2 040	2 616
Korea	NA	2	603
Non-Agreement Countries	732	2 994	3 202
Total	29 595	35 391	40 273

Source: Evidence, p. S341

Table 3

**Occupational background of working holiday maker arrivals
in Australia—percentage**

Major Groups	1992/93	1993/94	1994/95	1995 to May 96	Average %
Managers/Administrators	1	1.4	0.8	1.1	1
Professionals	4	3.7	4.2	3.7	3.9
Para-professionals	1.6	1.9	2.5	3	2.25
Tradespersons	2.5	3.5	3.8	3.2	3.25
Clerks	58.9	49	46.1	42.6	49.2
Salespersons & personal service workers	5.4	4.9	9.1	8.5	7
Plant/machine operators & drivers	0.4	0.5	0.9	0.7	0.6
Labourers/related workers	1.2	1.8	2.6	2.9	2.1
Not in work force/ not previously employed	1.1	0.5	1.7	3.1	1.6
Unemployed	11	9	11.6	11.4	10.75
Students	12.3	12.5	15.7	18.3	14.7
Not stated	0.5	11.25	0.8	1.4	3.5
Total	23 965	32 351	39 006	40 244	

Source: Evidence, p. S343

Table 4

Working holiday maker arrivals in Australia by age group—percentage

Age Groups	1992/93	1993/94	1994/95	1995 to May 96	Average %
18 - 19	9.1	9.7	9.6	9.9	9.6
20 - 25	76.7	74.3	77.5	78.8	76.8
26 - 30	14	15.4	12.5	11	13.2

Source: Evidence, p. S343

Table 5

Numbers of Australian residents on working holiday visas, by country of destination

Country	1993	1994	1995
United Kingdom	14 300	18 900	17 450
Japan	2 614	2 112	1 276
Ireland	55	48	123
Canada	2 786	3 000	3 500
Netherlands	101	88	120
Korea	NA	NA	32
Total	19 856	24 148	22 501

Source: Evidence, p. S342

Profile of working holiday makers entering Australia

2.47 In order to assess the working holiday program, it is important to consider not only the overall number of working holiday makers arriving in Australia, but also the general profile of such working holiday makers. Statistics provided to the Committee indicated the existing scope of the program and the overall outcomes generated by the existing criteria for the grant of a working holiday visa. From those statistics, it is clear that 20 to 25 year olds from countries with which Australia has working holiday agreements are the principal focus group of the program.

Country of origin

2.48 Nationals of agreement countries comprise over 90 per cent of working holiday makers arriving in Australia. Reflecting the origins of the program, around 50 per cent of working holiday makers are from the United Kingdom (see Table 2).³⁵ The traditional links between the United Kingdom and Australia also are reflected in the fact that the United Kingdom is by far the most popular destination for Australia's working holiday makers (see Table 5).³⁶ The small percentage of non-agreement country nationals arriving in Australia as working holiday makers (less than ten per cent) is a result, among other things, of the benefit criterion which such nationals must satisfy in order to be granted a working holiday visa.

Age

2.49 Over three quarters of working holiday makers are in the 20 to 25 age group, with numbers of 18 to 20 year olds and 26 to 30 year olds being similar to each other (see Table 4).³⁷ The small percentage in the higher age group (around 13 per cent) reflects the benefit criterion which people aged 26 to 30 from agreement countries must satisfy in order to be granted a working holiday visa.

Gender and marital status

2.50 Between 1992-93 and May 1996, 51 per cent of working holiday makers were female and 49 per cent were male. Ninety seven per cent of working holiday makers had never been married.³⁸ This tends to reflect the general focus

35 Evidence, p. S341.

36 Evidence, p. S342.

37 Evidence, p. S343.

38 Evidence, p. S317.

of the program, as described by a previous Minister for Immigration and Ethnic Affairs, who stated:

The groups intended to benefit from this facility are young single people, or young people who have been married only a short time, who are able to move about freely in keeping with the spirit of the Scheme unencumbered by personal or career related considerations.³⁹

Occupational background

2.51 Of those working holiday makers arriving in Australia between 1992-93 and 30 June 1996, about 70 per cent had an occupation prior to their arrival in Australia, almost 15 per cent were students and 11 per cent were unemployed. In relation to those with an occupation, almost 50 per cent were clerks, just over seven per cent were professionals/para-professionals or managers, seven per cent were salespersons and personal service workers, just over three per cent were tradespersons and just under three per cent were manual labourers and drivers (see Table 3).⁴⁰

2.52 The Committee notes that the categories used to describe the occupational backgrounds of working holiday makers in Australia (as detailed in Table 3) are quite general in nature and only provide a broad indication of the type of work undertaken by working holiday makers prior to their arrival in Australia. In any case, the statistics on occupational background do not provide a meaningful reflection of the type of people who may be attracted to a working holiday, given that the program is designed mainly for people undertaking working holidays before they settle into careers. Recommendations concerning statistics on working holiday makers are contained in Chapter Three.

Work undertaken in Australia

2.53 Neither DIMA nor DEETYA was able to provide any detailed statistical evidence on the work patterns of working holiday makers in Australia. DEETYA noted that the CES did not collect any statistics on working holiday makers, although new technology would allow such statistics to be collected in the future.⁴¹

2.54 Some information was available from a 1995 report on the labour market implications of working holiday makers by Ms Jill Murphy. That report was based on two surveys involving 438 working holiday makers and 103 employers who commonly employ working holiday makers. In the report, Ms Murphy concluded that the occupations held by working holiday makers in

39 The Parliament of the Commonwealth of Australia, Parliamentary Debates (Hansard), House of Representatives, 24 February 1987, p. 660.

40 Evidence, p. S317 and p. S343.

41 Evidence, p. S262.

Australia were heavily concentrated in three groups—labourers and related workers, salespersons and personal service workers, and clerks. More specifically, 42.8 per cent of all jobs were in labouring, mainly as fruit pickers, storepersons, kitchenhands, factory hands, cleaners and builders' labourers. Nearly a quarter of jobs were in sales and a further 20 per cent were clerical jobs.⁴²

Working holiday programs in other countries

2.55 As part of its assessment of Australia's working holiday program, the Committee was interested in determining the extent to which other countries operate similar programs and how overseas working holiday arrangements compare with those operating in Australia. Most of the information obtained by the Committee was provided by Australia's overseas posts in mid-1996.⁴³ The information indicated that a majority of countries have no equivalent of a working holiday visa and do not allow a mixture of work and tourism for visitors.

2.56 From the responses received, only ten out of 59 countries had a visa or permit equivalent to a working holiday visa. Those included the seven countries with which Australia has working holiday agreements as well as New Zealand, Hong Kong⁴⁴ and Malaysia. For the other 49 countries, employer sponsorship and labour market testing for available qualified locals generally are required before non-citizens are permitted to enter a country and work.

General features

2.57 Unlike Australia, the ten other countries which have some form of working holiday program do not allow citizens of non-agreement countries access to their programs. In eight of those countries, working holidays are available only to citizens of reciprocal arrangement countries, while in the United Kingdom and Hong Kong the scheme is available only to citizens of Commonwealth countries.

42 Murphy, J., *The Labour Market Effects of Working Holiday Makers*, (Bureau of Immigration, Multicultural and Population Research), AGPS, Canberra, 1995, p. 27.

43 The information provided by DFAT formed the basis of a research paper prepared for the Committee by its parliamentary intern: Sare, S., 'Working Holiday Visas: A Comparative Study', Australian National Internships Program, Australian National University, Canberra, 1996. In conjunction with the information from DFAT, the research paper was drawn upon by the Committee in preparing this section of the report.

44 The information provided to the Committee in relation to Hong Kong preceded its transfer to Chinese rule on 1 July 1997.

2.58 Canada has reciprocal working holiday arrangements with ten countries. They are Australia, Finland, France, Germany, Ireland, Japan, the Netherlands, New Zealand, Sweden and the United Kingdom. New Zealand has reciprocal arrangements with Canada, the Republic of Ireland, Japan, Malaysia and the United Kingdom. Malaysia has an agreement with New Zealand only.⁴⁵ The Republic of Ireland has arrangements with Australia, Canada, New Zealand and the United States of America. Japan has arrangements with Australia, Canada and New Zealand, while the Netherlands has arrangements only with Australia and Canada.

2.59 For each country with a working holiday program, the main objectives of the program equate to those enunciated by Australia. Essentially, the common objective is to promote wider international understanding by providing young people with the opportunity to holiday for an extended period and supplement their funds through incidental work.

Age

2.60 Age ranges applying to overseas working holiday programs are similar to those in Australia. Most countries allow an age range between 18 and 30 years, although in some, as in Australia, the 26 to 30 age range requires additional criteria to be satisfied (for example, Korea, Malta, and the Netherlands). Canada usually allows 18 to 30 year olds access to its scheme, but the age limit applying to Australians is limited to 18 to 25. The age range for the United Kingdom and Hong Kong is 17 to 27. Japan recently removed the requirement of special circumstances for 26 to 30 year olds in order to remove the discretionary element of decision making.

Length of stay

2.61 Twelve months is the most common permitted length of stay, with the United Kingdom and Hong Kong allowing stays of two years. Although Canada usually authorises an initial stay of six months, the authorisation is renewable for a further six months. In February 1997, Ireland changed the permitted length of stay from six to twelve months. Japan issues an initial working holiday visa for six months with a six month extension permitted. Australians are permitted a third six month extension, bringing their total possible stay to 18 months.

45 Australia does not have a working holiday agreement with New Zealand, as Australians and New Zealanders are free to work in either country.

Funds

2.62 Each country with a working holiday program has a requirement for applicants to have sufficient funds. The requirements are focused on ensuring that applicants have sufficient money for initial support and for the fare home or to their next destination. The specific requirements are as follows:

- without specifying an exact amount, Canada requires that applicants must have sufficient funds to support themselves for at least two weeks in Canada and must produce a return air ticket and proof of medical coverage;
- Ireland requires enough for a return airfare plus \$A1 500;
- Japan requires a minimum of \$A2 500, with applicants who wish to apply for an extension required to produce evidence of funds for an airfare or a return ticket;
- the Republic of Korea requires sufficient funds for the initial period of stay and a return or onward travel ticket;
- Malta requires \$A2 000 plus a return air ticket or a total of \$A4 500;
- the Netherlands requires \$A2 000 plus a return airfare or ticket;
- the United Kingdom usually requires evidence of sufficient funds for the first four to six weeks and a return airfare;
- Hong Kong demands sufficient funds for a return airfare and living expenses while in Hong Kong;
- Malaysia requires applicants (that is, New Zealanders) to have \$A1 850; and
- New Zealand requires a return airfare and \$A3 620 (Malaysians need \$A1 810).

Fees

2.63 No fee is required for a working holiday visa or permit in Canada, Ireland or Japan. Korea charges approximately 94 000 won (\$A150), Malta 15 liri (\$A51), New Zealand \$NZ130 (\$A112), the United Kingdom £33 (\$A70) and Hong Kong \$HK240 (\$A40). The Netherlands charges 200 guilders (\$A154) for a work permit.

Work restrictions

2.64 In respect of work conditions, working holiday makers cannot work for more than three months with the same employer in Ireland or New Zealand. There are no equivalent work restrictions in Canada, Japan, Korea, Malta or the Netherlands. In Japan, working holiday makers are banned from employment in businesses affecting public morals. In the United Kingdom, working holiday makers may work full-time for 12 months or part-time for two years, although work is supposed to be incidental to the holiday. In addition to bans on professional sports people and entertainers working in their specialist fields, working holiday makers in the United Kingdom are prohibited from work which advances their careers (for example, a recently graduated doctor looking to gain experience would be banned from medical work, whereas a nurse taking casual agency work would not). In Hong Kong, working holiday visas are issued once employment in Hong Kong has been secured. This means, in effect, that employers sponsor working holiday makers.

Lodgment of applications

2.65 Applications for working holiday visas to Canada, Ireland, Japan, Korea, Malta, Malaysia and New Zealand as a rule must be made in the applicant's country of citizenship. Applications for the Netherlands can be made at any Netherlands diplomatic mission around the world. For the United Kingdom, applications should be made in the country where the applicant lives, not in the country of citizenship.

Quotas

2.66 Canada is the only country with which Australia has a working holiday agreement which applies a limit or quota on the number of working holiday visas issued annually. In the case of Australia, Canada issues a similar number of working holiday visas to Australians as Australia does to Canadians. The quota on Australians for the calendar year 1996 was 4 000. The quota for 1997 has been set at 3 800. Hong Kong has no quota, while Malaysia and New Zealand apply a quota of 100 to each other. New Zealand has no quota for Japan but places quotas of 2 000 on the United Kingdom, 250 on Ireland and 200 on Canada.

Study

2.67 Working holiday makers are not allowed to undertake formal studies in Ireland or Malaysia. Formal studies, other than short-term language courses, are not permitted in Canada, Korea and Malta. There are no restrictions on formal studies in Japan or the United Kingdom, but the expense of tuition fees tends to act as a disincentive. Working holiday makers are permitted to

undertake formal courses of study in the Netherlands and Hong Kong and courses lasting for under three months in New Zealand.

Access to government-funded services

2.68 Access to government-funded services such as employment agencies is not available for working holiday makers in Canada, Korea, Hong Kong, Malta, Malaysia or New Zealand. In Ireland, working holiday makers have access to employment agencies for information about the availability of jobs. There are no government-funded employment agencies in Japan, but working holiday makers seem to make good use of the Japan Association for Working Holiday Makers which has offices in Tokyo, Osaka and Fukuoka. Access to government-funded employment agencies is available in the Netherlands and the United Kingdom.

Compliance with conditions

2.69 Canada has indicated that there is very little abuse of its working holiday scheme. It ascribes this to the screening process at overseas posts before visa issue and to the focus on reciprocity, which gives some leverage in bilateral negotiations on working holiday arrangements. Likewise, other countries have not indicated serious compliance problems in relation to visa conditions.

Australian working holiday makers

2.70 The availability of reciprocal opportunities for young Australians to undertake working holidays overseas is an essential element of the working holiday program. As the above analysis of overseas working holiday programs indicates, Australians are able to obtain specific working holiday visas only in those countries with which Australia has working holiday arrangements.

2.71 Recent statistics show that the United Kingdom, a traditional working holiday destination for Australians, has remained the primary destination for Australian working holiday makers. Around 78 per cent of Australian working holiday makers undertake their working holiday in the United Kingdom. Canada is the next most popular destination, with around 16 per cent of Australian working holiday makers (see Table 5).⁴⁶

2.72 The figures provided by DIMA also indicate an imbalance between the number of working holiday makers entering Australia and the number of Australians undertaking working holidays overseas. For example, while 40 273 working holiday visas to Australia were granted to overseas nationals in the financial year 1995-96, only 22 501 Australians undertook working holidays

46 Evidence, p. S341.

overseas in the 1995 calendar year (see Table 5).⁴⁷ This imbalance is especially clear in respect of particular agreement countries. For example, the 1995 figures show that approximately three times as many Japanese came to Australia as Australians went to Japan and more than 30 times as many Irish came to Australia as Australians went to Ireland.⁴⁸

2.73 In its submission, DIMA pointed out that comparisons between incoming and outgoing working holiday makers should take into account the access some Australians have to work rights in overseas countries because of patriality provisions which apply to them. DIMA noted, for example, that in addition to the 22 501 working holiday visas granted to Australians in 1995, a further 6 000 Australians departed for the United Kingdom with full work rights under the United Kingdom patriality provisions.⁴⁹ Those provisions allow Commonwealth citizens aged 18 years or over who have a grandparent who was born in the United Kingdom to work without restriction in the United Kingdom for up to four years. In this regard, Commonwealth citizens meet the criteria if they have grandparents born in Northern Ireland, but they do not meet the criteria if their grandparents were born in the Republic of Ireland after 1922.⁵⁰ By comparison, Australia discontinued its patriality provisions for citizens of the United Kingdom in the early 1980s on advice from the then Commissioner of Community Relations that the provisions were discriminatory.⁵¹

2.74 A similar explanation was given in relation to the small number of Australian working holiday makers travelling to Ireland. Australia's post in Dublin pointed out that many young Australians who travel to Ireland hold dual Irish/Australian citizenship and, therefore, do not require permission to work.⁵²

2.75 Advice also was received from the Australian post in Seoul on the reasons working holiday visas to the Republic of Korea to date have had limited appeal to Australians. Korea currently is not a major destination for Australian tourists. The high cost of living and the difficulties foreign travellers encounter in finding reasonable low-cost accommodation tend to dissuade potential Australian working holiday makers from travelling to Korea, although DFAT indicated that this may change over time as the Australian and Korean economies become more interlinked.⁵³

47 Evidence, p. S342.

48 Evidence, pp. S341-S342.

49 Evidence, p. S316.

50 Evidence, p. S502.

51 Evidence, p. S316.

52 Information provided by DFAT, 9 August 1996.

53 Information provided by DFAT, 7 August 1996.

2.76 Australia's post in The Hague noted that it regularly receives complaints about the onerous, time consuming and costly bureaucratic hurdles Australians face in obtaining work permits in the Netherlands. The post noted that existing requirements make it very difficult for Australians to undertake working holidays there. In addition to having to apply for a residence permit after arriving in the Netherlands, working holiday makers have to find employment before applying for a work permit. The work permit procedure is the most onerous part of the process, taking a minimum of two weeks and up to six weeks in some cases. Employers are often unwilling to wait for so long and may give the position to a Dutch or European Union country national who already holds a work permit. The post also noted that Dutch Consulates in Australia do not advise Australian working holiday makers of the complicated nature of the process in the Netherlands.⁵⁴

2.77 In the ensuing chapters of this report, the Committee not only examines the appropriateness and adequacy of Australia's working holiday arrangements, but also considers the potential for increased Australian access to overseas working holidays.

54 Information provided by DFAT, 9 August 1996.

Chapter Three

Impact of working holiday makers

Introduction

3.1 In evaluating the working holiday program, an important consideration for the Committee was the impact of working holiday makers on the Australian community. In particular, the Committee was interested in assessing the benefit which the community derives from the program and any problems which arise as a result of the nature or scope of the program.

3.2 As noted in Chapter Two, there has been a significant increase in the number of working holiday makers entering Australia over the past two decades. While many in the community have welcomed the expansion of the program, on the basis that it brings cultural, social and economic benefits, some concerns have been expressed about the effect working holiday makers are having on the job prospects of Australians. Those concerns have been most evident during times of higher unemployment.

3.3 From time to time, concerns about the labour market impact of working holiday makers have been raised in the Parliament. They also were canvassed with this Committee's predecessor during its inquiry into visitor visas, which led to the establishment of the current inquiry. While acknowledging the economic, social and cultural benefits which are derived from the working holiday program, the previous Committee warned of the labour market implications which can arise when working holiday makers and employers contravene the work conditions of the program.¹

3.4 In this chapter, the Committee details the evidence it was able to gather on the overall value of the working holiday program for Australia.

Cultural and social impact

3.5 In submissions to the inquiry and in evidence at public hearings, there was strong support for the working holiday program. Various individuals and organisations highlighted the cultural and social benefits which are derived from working holiday makers visiting Australia and Australians travelling overseas on working holidays. While it was acknowledged that it is difficult to measure the extent of the cultural and social benefits which are achieved, there

1 *Australia's Visa System for Visitors*, op. cit., p. 213.

was a variety of suggestions on how the working holiday program contributes to the community's cultural and social development.

3.6 Some respondents highlighted the personal development opportunities which the working holiday program affords to individuals. It was suggested that, by allowing young people to travel to other countries and by enabling them to experience different cultures and lifestyles in a more direct way than would be possible under normal visitor arrangements, the program broadens young people's life experiences and contributes to their personal development. As stated by the ACTU:

Opportunities to visit another country, to experience another language and culture, and to meet people of other language and cultural backgrounds, can only enhance the personal growth of young people, whether they be Australian young people visiting other countries, or young people coming to Australia.²

3.7 The Youth Hostels Association of New South Wales emphasised the unique nature of the working holiday program in exposing young people to different cultures and lifestyles. It commented:

Young Australians have opportunities to gain cultural, educational and economic benefits that are not otherwise available to them. It would be hard to find any negative aspects of the scheme from this perspective.³

3.8 Other respondents suggested that the working holiday program is particularly important for Australia because its relative geographic isolation makes it more difficult for young people to have direct contact with people living in different countries. The New South Wales Backpacker Operators Association commented:

Because of our isolation and our relatively small population, we do have some disadvantages. One of the outcomes of those are that we have less contact with other countries than European countries do. Australians are notoriously poor at languages. Most Australians can only cope with speaking one language. Most young Europeans can speak two, if not three. The working holiday scheme addresses some of these issues very well by providing young Australians with the opportunity to go and work overseas—not just to be tourists and go and drink beer on a beach in Bali for a week, but to have the experience of working and getting to know the culture and the community well by working overseas. We think the value of that is immense.⁴

2 Evidence, p. S404.

3 Evidence, p. S213.

4 Evidence, pp. M172-M173.

3.9 The New South Wales Backpackers Association also suggested that the great benefit of the working holiday program is that it is open to a much wider range of young people than are other programs which involve travel overseas. As a result, more people are exposed to the cultural and social benefits of overseas travel. The Association stated:

It should be stressed that the Working Holiday Visa Scheme is not only for the academically gifted (for example post graduate student opportunities to work and study at overseas universities). It is not only for those few who are fortunate to be selected by a Rotary Club. It is not highly specialised as for example are opportunities for young Australians to work at Camp America. The great strength of the Working Holiday Visa Scheme is its accessibility and its open endedness which very much leave it up to the individual to make the most of the opportunity and that the individual is anyone judged suitable by the receiving country.⁵

3.10 On the individual benefits to be gained from the program, some evidence was received from people who had participated in working holidays overseas. They concurred with the view that a working holiday contributes to personal growth in a distinct way. One former working holiday maker suggested that young Australians who are given the opportunity to work abroad bring back with them 'a wealth of ideas and experiences that no amount of education and training in Australia can give them'.⁶ In a similar vein, another former working holiday maker commented:

During my time overseas I gained a lot more self confidence because I did not have the pressures of the society I knew at home and the best thing is that I have brought my knowledge and experience back to Australia.⁷

3.11 In other submissions, it was argued that the working holiday program enables many young people from overseas to gain an appreciation of Australia which they would not be in a position to achieve if the program did not operate. The Australian Youth Hostels Association, for example, commented that without the working holiday visa far fewer backpackers could afford to come to Australia.⁸

3.12 It also was suggested that the working holiday program allows young people from overseas to gain a much better understanding of Australia than

5 Evidence, p. S137.

6 Evidence, p. S71.

7 Evidence, p. S380.

8 Evidence, p. S155.

would be possible if they travelled here on a visitor visa. As stated by the Youth Hostels Association of New South Wales:

When travelling it is easy to only superficially interact with the locals and primarily associate with other tourists at your accommodation. Working allows these young people to really get to experience Australian life and culture and make friendships that could last for the rest of their lives. This is in contrast with most packaged international visitors that spend only a day or two at each destination.⁹

3.13 In a number of submissions, it was suggested that this wider exposure to Australia and its lifestyle helps to promote understanding between Australia and other countries and carries longer term benefits for Australia. As discussed later in this chapter, this can include longer term tourism and trade benefits.

3.14 Another positive aspect of the program noted in submissions is that it helps to expose the Australian community to the language, culture and people of other countries. While Australia already is a culturally diverse society, the opportunity to interact with young people from overseas countries helps to foster the community's appreciation of other cultures and people. As noted in one submission, the working holiday program provides a chance for 'ordinary Australians to mix with and exchange views with young people of different backgrounds and cultures that they would not normally get to meet'.¹⁰

3.15 In some submissions, it was suggested that the cultural benefits of the working holiday program are particularly relevant for regional Australia. It was argued that because overseas visitors often do not travel to regional communities and because migrants often settle in the major cities, people from regional Australia do not have the same opportunities to meet and interact with people from other countries. As working holiday makers tend to spend more time in Australia and tend to travel more widely, they help to expose regional Australia to the culture of different countries in a way which would not occur if the working holiday program did not operate. As noted in one submission:

Australian young people are meeting those from all over the world as the result of the Working Holiday Visas and this is particularly important for the children on Outback cattle and sheep stations—they have the opportunity of another culture in their lives, can learn about new places and people and even have a taste of new languages as a result of this international experience.¹¹

9 Evidence, p. S217.

10 Evidence, p. S223.

11 Evidence, p. S63.

3.16 In a similar vein, the Riverina Area Consultative Committee commented:

The program has had a very positive impact on communities within the Riverina. Those people who have travelled to the region have brought with them experiences and knowledge of their own culture that has been of great cultural benefit.¹²

Economic impact

3.17 Alongside the cultural and social benefits deriving from the working holiday program, a number of individuals and organisations also highlighted the positive impact working holiday makers have on the Australian economy. This includes their specific contribution to the economy while they are in Australia as well as the longer term trade and business links which can arise after they return home.

3.18 In a similar way to tourists, working holiday makers provide an important boost to the economy through the money they spend while in Australia. Working holiday makers access a range of goods and services during their stay, including accommodation, food, transport, communications and recreational facilities.

3.19 A research study of working holiday makers indicated that on average they spend at least \$8 230 each while in Australia.¹³ According to DIMA, this represents annual expenditure of around \$A400m to \$A450m, based on 1996-97 program figures.¹⁴ While a significant percentage of this may be earned in Australia (with estimates in the range of 40 to 60 per cent), a common view in submissions was that most of those earnings are spent in Australia. In addition, working holiday makers must pay tax on those earnings but in return only have limited access to services and benefits usually available to taxpayers.¹⁵

3.20 While working holiday makers arrive in significantly smaller numbers than people with visitor visas, they tend to stay longer in Australia, tend to access facilities such as accommodation for longer periods of time, and tend to disperse throughout Australia, thereby bringing economic benefits to regional areas not always frequented by tourists. According to DIST, the

12 Evidence, p. S175.

13 Murphy, op. cit., p. 80.

14 Evidence, p. S322.

15 Evidence, p. S322.

importance of working holiday makers to the tourism industry outweighs their numerical significance. DIST noted:

WHMs accounted for only 15% of backpacker numbers in 1994/95 and 1% of total visitor numbers but their length of stay of up to 300 nights (Bureau of Immigration, Multicultural and Population Research—BIMPR) meant that they accounted for about 64% of backpacker visitor nights and 14% of overall visitor nights. Further, their propensity to travel to many more regions of Australia than other visitors is helping to spread the benefits of tourism more widely.¹⁶

3.21 In one submission, it was suggested that a particular benefit of working holiday makers is that their spending patterns are different from general visitors and, as such, bring benefits across a wider section of the local economy. According to the Australian Youth Hostels Association:

Funds earned by WHMs in Australia are by and large spent in Australia. WHMs' spending is widespread across the local economy and small businesses unlike some pre-packaged international tourists. For instance, they buy food in local shops, use public transport, enjoy local nightlife and entertainment. ... WHMs are key purchasers of adventure and sporting activities and equipment, eg scuba diving in Cairns and Rottneest Island, dolphin watching in Nelson Bay or scenic flights over Cradle Mountain or Kangaroo Island.¹⁷

3.22 The economic benefit which working holiday makers bring to regional Australia also was highlighted by McCafferty's Express Coaches, which commented:

Working holiday 'visitors' spending is far greater than the traditional tourists. Those on working holidays spend much of their time in regional centres and spend highly on experiences, i.e. day and weekend tours, restaurants, museums, etc.¹⁸

3.23 The Northern Territory Government concurred with this view, noting a perception that working holiday makers tend to travel more widely in Australia and return to Australia for additional visits. On this basis, the Northern Territory Government suggested that working holiday makers benefit regional centres to a greater degree than the average tourist.¹⁹

3.24 A significant number of individuals and organisations stressed the importance of working holiday makers in helping to overcome labour shortages in regional areas, particularly during peak periods, such as harvest season. In some instances, certain regions were becoming dependent on working holiday

16 Evidence, p. S389.

17 Evidence, p. S157.

18 Evidence, p. S307.

19 Evidence, p. S362.

makers at harvest time. The labour market impact of working holiday makers is discussed in further detail later in this chapter.

3.25 Alongside the direct economic benefit derived from working holiday makers, respondents to the inquiry indicated that certain longer term benefits can accrue as a result of the working holiday program. One such benefit is that working holiday makers who have an enjoyable experience in Australia can, by relating that experience to family, friends and colleagues, help to attract other visitors to Australia. Whether knowingly or not, they become ambassadors for Australia. As noted by Tourism Council Australia:

On return to their homeland they generally speak of their stay here in favourable terms and encourage friends and relatives to come to Australia. Some may return to Australia as honeymooners while others revisit in later life. In Japan, former WHMs often obtain employment as consultants in travel agents and become invaluable sales people for travel to Australia.²⁰

3.26 This view also was reflected by DIMA, which emphasised both the tourism benefits and the longer term business links that can arise as a result of the working holiday program. DIMA stated:

The international contact, familiarity and bond with Australian culture and people which WHMs take with them when they return to their home countries have the potential to lead to the promotion of Australia both as a place to visit and as a place to do business.²¹

3.27 On this issue, the Australian Tourist Commission (ATC) noted that the working holiday program is crucial to its ability to attract high yield, long staying visitors.²² It was suggested that access to the working holiday program often determines whether people will choose Australia as a backpacker destination in preference to other destinations competing for the backpacker market.²³ According to the ATC, New Zealand doubled the size of its program in 1996 following the capping of Australia's working holiday program in December 1995.²⁴ In terms of actual numbers, it is important to note that the doubling of New Zealand's program meant a rise from 1 000 to 2 000 working holiday makers.²⁵ New Zealand currently accepts fewer than 3 000 working holiday makers each year.²⁶

20 Evidence, p. S358.

21 Evidence, p. S333.

22 Evidence, p. S278.

23 Evidence, p. S103, pp. S153-S154 and p. S387.

24 Evidence, p. S280.

25 Evidence, p. M6.

26 Information from DFAT, 2 August 1996.

3.28 The Committee also was told that the working holiday program contributes to the development of Australia's trading and commercial links with countries which are the source of working holiday makers. According to DIMA, this was recognised by Professor Ross Garnaut in his 1989 report *Australia and the Northeast Asian Ascendancy*, in which he indicated that the establishment of working holiday arrangements with developing trading partners could be instrumental in enhancing bilateral trade prospects.²⁷

3.29 Various organisations put forward a similar view in their submissions to the inquiry. DIMA, for example, commented:

The enhancement of international trade, particularly the development of niche markets, is often linked to the extent to which business people and potential business people have some understanding of the nature of markets and preferences in other countries. A year spent in another country provides an ideal opportunity for young and enterprising people to develop such understandings. These may become critical in later life.²⁸

Labour market impact

3.30 Linked to the issue of economic impact are the labour market implications of the working holiday program. This was a critical issue for the Committee, given the current level of unemployment in Australia, particularly among young people.

3.31 As noted in the introduction to this chapter, concerns about the labour market impact of working holiday makers are not new. They have been raised previously in the Parliament and have been considered in past reviews and studies of the working holiday program. During the inquiry, the Committee was made aware of research which has been undertaken previously into this issue. The Committee also was provided with much anecdotal evidence on the effect working holiday makers are having on the local labour market.

Available research

3.32 In submissions to the inquiry, it was noted that relatively little research has been done on working holiday makers and their impact on the labour market. While there have been various studies on the economic benefits of tourism, only limited attention has been focused specifically on working holiday makers.

27 Evidence, p. S320.

28 Evidence, p. S320.

3.33 In 1991, the National Population Council's Migration Committee reviewed the working holiday program, examining in particular concerns about possible adverse labour market consequences arising from increasing numbers of working holiday makers entering Australia. On the basis of its consultations and research, that Committee found that the number of working holiday makers entering Australia at the time (around 45 000) was not a threat to local jobs and conditions, but instead represented a valuable supplement to the local labour force in key areas of shortage. It concluded:

The evidence presented in this report suggests that on balance the WHMs scheme has had a minor but beneficial effect on the Australian labour market by enabling employers to meet shortages both of a seasonal nature and of particular skills. It does not appear that their presence has adversely affected Australian workers to any significant extent. There is, however, one note of caution which must be added. The growth in WHMs has taken place in a period of buoyancy in the Australian labour market and the implications of less favourable conditions are unclear.²⁹

3.34 In 1995, a research study on the labour market implications of working holiday makers came to similar conclusions. Based on surveys of working holiday makers and employers, the study by Jill Murphy found that:

... the effect of WHMs on the labour market is likely to be marginal, given that they are generally seen as a back-up in markets where there are labour shortages, and they account for a very small share of the total labour force (0.4 per cent). In addition, it should be borne in mind that young Australians in similar numbers depart every year as WHMs.³⁰

3.35 In her study, Ms Murphy argued that, if the effect of spending by working holiday makers is taken into account, it is likely that working holiday makers have a positive, albeit small, impact on the labour market. She noted that expenditure by working holiday makers leads to the creation of employment and growth.³¹ On the basis of calculations from the Bureau of Tourism Research, which estimated that international tourism generated 144 000 jobs in Australia in 1992, Ms Murphy estimated that working holiday makers would have been responsible for generating 1 440 jobs in that year, as they accounted for one per cent of visitors to Australia. In her study, she commented:

Although a rough approximation, it does demonstrate that the effect of WHMs is not insignificant, particularly when their expenditure levels and longer than average lengths of stay are taken into account.³²

29 National Population Council Migration Committee, *The Working Holiday Maker Program*, AGPS, Canberra, 1991, p. 46.

30 Murphy, op. cit., pp. xiv-xv.

31 ibid., p. xv.

32 ibid., p. 79.

Role in the labour market

3.36 During the inquiry, the Murphy study was referred to in a number of submissions. On the basis of that study and their own experiences, many respondents argued that working holiday makers are not taking jobs from Australians, but instead are an important supply of backup labour in industries which are reliant upon casual and seasonal work. Reflecting the view in many other submissions, DIMA commented:

The overall conclusion appears to be that WHMs fill a useful gap in the labour market, particularly in terms of seasonal and temporary jobs. They do not appear to have any significant negative impact on the employment opportunities of local residents.³³

3.37 In a variety of submissions, it was argued that working holiday makers are a flexible and reliable work force and do the jobs Australians are not interested in undertaking. According to the Australian Chamber of Commerce and Industry (ACCI), even though there is a high level of unemployment in Australia, some industries, particularly the horticultural and hospitality industries, experience labour shortages because sufficient Australians are not available to undertake the work. ACCI indicated that, because work in industries like horticulture is physically demanding, seasonal in nature and located away from major cities, it is difficult to attract unemployed Australians to such work. ACCI commented:

WHMs provide an efficient solution to these difficulties. They are less averse to work in difficult physical conditions (such as fruit picking) than many Australian workers. More importantly, they are not discouraged from seeking work for short engagements (a function of the seasonal nature of harvesting and much hospitality work), as they are continually moving and are not seeking permanence in any job. As a result WHMs have long played an important and positive role in Australian industries, especially those in the agricultural and hospitality sector, by undertaking work that Australian workers have long been unwilling to do.³⁴

3.38 This view was supported in submissions from horticultural representatives and individual employers located throughout Australia. The Riverland Horticultural Council from South Australia stated:

Working Holiday Maker Visa holders are an increasingly important component of the horticultural industries national harvest labour strategy. Horticultural harvest periods typically involve relatively short periods of intense activity during which demand for labour outstrips local supply. In this regard there is no competition between local labour.³⁵

33 Evidence, p. S321.

34 Evidence, p. S290.

35 Evidence, p. S19.

3.39 The Riverland Horticultural Council indicated that it has become increasingly difficult to move labour from metropolitan or regional centres to horticultural regions. It suggested that case managers from DEETYA are finding it more difficult to justify moving unemployed people away from their family support mechanisms for short periods of employment in horticultural districts, where there may be limited accommodation and transport. Another difficulty noted by the Council is that horticulturists have been frustrated by the amount of time they are required to spend on administrative arrangements when engaging some unemployed Australians who, in the Council's view, simply do not want to be there. The Council argued that, in contrast, working holiday makers are eminently suited to seasonal harvest work because they do not have dependants and are only allowed to work for a maximum of three months with the one employer.³⁶

3.40 A similar picture of labour shortages was presented by the Northern Victoria Fruitgrowers' Association, which noted that approximately 8 000 seasonal positions are available for short periods of time in the fruit industry in Victoria's Goulburn Valley. The Association indicated that those positions are filled by local people, unemployed people, professional harvest labourers and working holiday makers. The Association stated:

At no time during our peak season are there enough Australians to fill the positions available. The WHMs are an important backup supply of labour and are critical to our industry being able to harvest the crop in a manner timely enough to ensure the optimum quality of fruit.³⁷

3.41 The Swan Hill Rural City Council also highlighted the labour shortages which occur in its region of Victoria during the harvest season, despite repeated efforts to secure labour from throughout Australia (with assistance from the CES).³⁸ The Council noted:

As a means to obtain labour many horticulturalists are increasingly relying on overseas labour with a working holiday visa. One large scale horticulturalist packing fresh fruit for export markets has over 60% of its packing staff on a working holiday visa—mostly female English travellers. The use of such workers in packing sheds throughout the region is common for both large scale and smaller horticulturalists. Horticulturalists find the staff on working holiday visas to be reliable and hardworking. The above mentioned horticulturalist has found working holiday staff to be so successful that they are considering providing additional accommodation and reimbursing some travel costs, including airfares, to secure further staff of this type. Without this staff the business would not operate.³⁹

36 Evidence, p. S18.

37 Evidence, p. S40.

38 Evidence, p. S142.

39 Evidence, p. S142.

3.42 From Western Australia, a specialist recruitment agency for farming areas wrote to the Committee about the difficulties it has experienced in attracting sufficient Australians to undertake seasonal farming work in Western Australia. It noted that the largest demand for labour is in the grain growing areas particularly at seeding time (March to June). The only way the recruitment agency has been able to meet demand for labour has been to employ young people with the necessary skills from overseas. It commented:

We would prefer to use Australian labour but we receive very little response from our extensive advertising throughout Australia and have not been able to meet the demand.⁴⁰

3.43 In a similar vein, Queensland Fruit and Vegetable Growers indicated that increasingly there has been reliance on working holiday makers to meet seasonal labour demands. It noted that, while traditionally demand has been met by itinerant workers following the harvest throughout the country, over the years the number of people engaged in this occupation has decreased dramatically. As a consequence, growers have needed to turn to working holiday makers in order to fill the gap.⁴¹

3.44 In New South Wales, the Riverina Area Consultative Committee indicated that the need for working holiday makers arises because lower unemployment levels in the district means that there are not sufficient local people to meet the work demand during peak harvest season.⁴²

3.45 On the basis of a survey of skill shortages, ACCI indicated that working holiday makers also are crucial to the viability of some business operations in northern Australia. It noted that working holiday makers provide an enthusiastic pool of workers, willing to work in isolated areas. Being young, unburdened by family responsibilities, and often keen to see as much of Australia as possible, they are willing to travel to isolated areas of Australia for work and, in doing so, to provide businesses in those areas with much needed labour, skills and capital.⁴³

3.46 Supporting this assessment was the Darwin Region Tourism Association, which emphasised the importance of working holiday makers for its peak season labour force. The Association indicated that the jobs available during this period are not able to be filled from the local labour market.⁴⁴

40 Evidence, p. S185.

41 Evidence, p. S349.

42 Evidence, p. S173.

43 Evidence, p. S290.

44 Evidence, p. S29.

3.47 Other tourism industry representatives also stressed the importance of working holiday makers within the industry, both as a supply of backup casual labour and as people who bring specialist skills not readily available among Australians. The Australian Duty Free Operators Association, for example, indicated that there is a shortage of Australian bilingual and multilingual applicants for duty free sales positions, despite wide advertising and extensive training opportunities. It noted that duty free operators have had particular difficulty in attracting Australians who speak Japanese proficiently, because many proficient Japanese-speaking Australians are university graduates whose career expectations exceed duty free sales. For this reason, the Association noted that working holiday makers, particularly from Asian countries, have found willing employers in Australia. However, even with access to working holiday makers, duty free operators have not been able to meet the demand and, according to the Association, have needed to recruit working holiday makers from overseas. The Association stated:

Many of the large duty free companies in the Japanese tourist market, for example, advertise in Japan for young people to come to Australia on working holidays.⁴⁵

3.48 During the inquiry, the Committee received some evidence on attempts which have been made to address some of the labour shortages identified above. For example, the Committee was told that in certain regions a harvest labour strategy has been developed between DEETYA, employers and industry bodies aimed at increasing the number of local job seekers in harvest work. That strategy has included intensive advertising and recruitment campaigns and the establishment of harvest labour offices. While it was noted that this strategy has proved successful in some areas, it was acknowledged that there remains a demand for outside labour at peak times.⁴⁶ It also was noted that in other areas no appropriate strategy has been developed to attract Australians to harvest labour and that, as a result, reliance on working holiday makers has continued.⁴⁷

3.49 Alongside the evidence that working holiday makers are required to fill gaps in the labour market, it also was suggested to the Committee that working holiday makers can benefit the Australian community by exposing people to different skills and practices. As noted in one submission:

In the work place this may involve the transfer of new ideas from other countries to Australia. I remember many years ago working in a hotel where an Irish working holiday maker was employed for a short time. She had studied hospitality at an European Institution and was always full of ideas that were new to us. Her contribution to service standards and the general efficiency of the work place was significant. The work place gained the benefit of her education and

45 Evidence, p. S15.

46 Evidence, pp. S80-S81 and p. S263.

47 Evidence, p. M262.

experience. Similar experiences must occur in a range of work places where working holiday makers gain employment. Working holiday makers bring new skills, new ideas and can promote new opportunities for Australians.⁴⁸

3.50 Another point made in submissions was that the labour market impact of working holiday makers is minimised to some extent by the fact that a significant number of young Australians undertake working holidays overseas each year. As noted in Chapter Two, over 22 000 Australians had a working holiday overseas in 1995.

3.51 While many industry groups indicated that there are no adverse labour market consequences stemming from working holiday makers, it was suggested to the Committee that the extent of any impact is difficult to gauge because of the lack of detailed research on this issue. While noting the anecdotal evidence regarding the contribution of working holiday makers to the horticultural industry, DEETYA nevertheless commented:

There is little hard data on the impact of WHMS on the labour market. This makes it difficult to assess the costs/benefits of variations to the size of the WHM Scheme. While it is possible to estimate 'ball park' figures on spending by WHMs in Australia, the possible displacement of Australians in the labour market is virtually impossible to gauge.⁴⁹

Regional and sectoral impact

3.52 Both DEETYA and the ACTU indicated that while the overall numbers of working holiday makers may suggest minimal impact on the overall labour market, there may well be significant impacts in particular industries and geographic regions.⁵⁰ As stated by DEETYA:

While WHMs constitute a small part of the labour market (about 0.5 per cent) the effects of the WHM program tend to be concentrated in particular industries (most notably recreation, personal and other services; wholesale and retail trades; agriculture, forestry, fishing and hunting) and in particular locations such as Sydney, Brisbane, Cairns and regional locations where harvesting work is available. This results in a far greater impact on those labour markets than the raw figures may suggest.⁵¹

48 Evidence, p. S300.

49 Evidence, p. S264.

50 Evidence, p. S262 and p. S407.

51 Evidence, p. S262.

3.53 In this regard, the Committee received a number of submissions from far north Queensland in which it was argued that Japanese working holiday makers are displacing Australians within the local tourism industry. In those submissions, which are discussed in further detail in Chapter Six, it was claimed that tour companies and duty free stores which cater for Japanese visitors are employing Japanese working holiday makers in preference to Japanese-speaking Australians. According to those submissions, such companies claim that there are insufficient qualified Australians to fill the jobs, even though qualified Australians have applied for advertised positions and have been rejected.

3.54 On this issue, Mr Rick Carr, who conducted a study into Japanese temporary residents in the Cairns tourism industry,⁵² suggested that working holiday makers, along with other temporary residents, currently form the base labour pool in the region's tourism sector, with local workers comprising the backup.⁵³ He commented:

If we are looking at specific tourism occupations, there is some displacement of Australian labour by the Japanese temporary residents—whether they are sponsored or working holiday makers.⁵⁴

3.55 Concerns also were raised by representatives of the Cairns CES during discussions which they had with the Committee. In particular, the CES officers noted that:

- employers often pay less than award wages to working holiday makers, putting pressure on locals to accept the same conditions to secure the relevant job;
- some working holiday makers hold jobs longer than they should and tie up a long-term position that should have gone to a local resident;
- the large number of working holiday makers entering the country, specifically through Cairns, ties up a large amount of time at the CES enquiries counter; and
- where there is a ready source of working holiday makers, employers will not make a commitment to base level training for local residents, making it difficult for school leavers to secure jobs with a definite career path.

52 Bell, M. and Carr, R., *Japanese Temporary Residents in the Cairns Tourism Industry*, (Bureau of Immigration and Population Research), AGPS, Canberra, 1994.

53 Evidence, p. M414.

54 Evidence, p. M416.

3.56 Other people suggested that working holiday makers are able to acquire work ahead of Australians because in some regions information about jobs is made available only through backpacker hostels frequented by working holiday makers. One respondent stated:

Picking and packing jobs are often given to backpackers in preference to hiring Australians due to the fact that the employer has only one number to contact, that being the hostels. One of the causes for this being the fact that the CES charges a fee to locate workers, whereas the hostels can be contacted for the price of one phone call and have a courtesy bus from the hostel to the place of employment. Therefore putting local workers and travelling Australian workers at quite a big disadvantage in finding employment.⁵⁵

3.57 The Bundaberg Fruit and Vegetable Growers concurred that the practice of employers approaching hostels directly for workers can disadvantage the local labour force, particularly as hostels coordinate working holiday makers and transport them to and from the farms. The Growers Association commented:

The current arrangements of hostels supplying WHM to growers discriminates against the local labour force who find it difficult to access the work sources. The CES does not seem to be playing an active role in promoting and training local labour to fill the positions on farms.⁵⁶

3.58 As for the suggestion that some employers must rely on working holiday makers because unemployed Australians are not available or do not want the work, one itinerant worker commented:

The farmers' argument is that Australians will not do the work and they have to rely on foreign labour to get their crops off. In reality it is an excuse not to increase wages and conditions for pickers and packers.⁵⁷

3.59 In some submissions, there were concerns that in certain industries employers show preference for working holiday makers not because Australians are unavailable for or uninterested in the work, but because employers can avoid paying award wages and complying with award conditions. On the basis of her experience as a fruit picker, one respondent commented:

Employers actively prefer overseas pickers for the following reasons— They are more likely to agree to payment by cash, thereby avoiding tax. They are less likely to know the award rate of pay and will not belong to a Union. They are generally 'less trouble than Australians', particularly concerning the rights of Employees and responsibilities of Employers. They are more likely to move on rather than cope with problem Employers who then have a huge turnover of Employees. They are less likely to stay for the full season, (usually twelve weeks),

55 Evidence, p. S369.

56 Evidence, p. S312.

57 Evidence, p. S369.

and so do not receive accrued penalty rates due to them for Sundays or Public Holidays.⁵⁸

3.60 It was argued that, in situations where working holiday makers are paid under-award wages and endure poor working conditions, this can impact adversely on the labour market by encouraging poor working conditions and lower wages for Australian workers.⁵⁹ It was suggested that, because of the ready supply of working holiday makers, in some industries Australians may be forced to accept lower wages and poor work conditions simply to secure a job.⁶⁰

3.61 On this point, the ACTU indicated that working holiday makers tend to be concentrated in industries such as catering/hospitality and retailing, which have some of the highest rates of non-compliance with award conditions. The ACTU suggested that, as there is no current information on employer compliance with workplace legislation, it is difficult to gauge accurately the impact of working holiday makers on work conditions in relevant Australian industries.⁶¹

3.62 Another difficulty noted in submissions was that some employers, particularly in remote areas, do not check whether a non-citizen is eligible to work. The Committee was provided with anecdotal evidence which suggested that employers, particularly in agricultural industries, engage backpackers regardless of whether they are holders of a working holiday visa, and therefore have work rights, or are holders of a visitor visa, and therefore are not allowed to work. In this regard, DEETYA commented:

Anecdotal evidence strongly suggests that some backpackers on tourist visas may also gain employment, even though they are legally not entitled to do so. In fact, there is considerable confusion in the media where the terms 'working holiday makers' and 'backpackers' are used interchangeably.⁶²

3.63 In circumstances where visitors work on the pretence that they are working holiday makers, the labour market impact of the working holiday program can be more significant. As stated by DEETYA:

If backpackers on visitor visas are working, the labour market impact could be considerable as their numbers significantly exceed those on [working holiday visas].⁶³

58 Evidence, p. S67.

59 Evidence, p. S410.

60 Evidence, p. S31, p. S249, p. S423, p. S427 and p. S430.

61 Evidence, p. S405.

62 Evidence, p. S260.

63 Evidence, pp. S260-S261.

3.64 No statistics were available on the extent to which this practice occurs. While DIMA indicated that there is reason to believe that some backpackers undertake unauthorised employment, it did not estimate the size of the problem.⁶⁴ DIMA, however, advised the Committee of the employer awareness strategies which are in place to minimise the practice. These are discussed in detail in Chapter Five.

Conclusions

3.65 The working holiday program provides a range of cultural, social and economic benefits for participants and the broader community. Those benefits show that the program is of considerable value to Australia and should continue to be supported.

3.66 Young people from overseas benefit from a working holiday by experiencing the Australian lifestyle and interacting with Australian people in a way that is likely to leave them with a much better understanding and appreciation of Australia than would occur if they travelled here on visitor visas. This contributes to their personal development and can lead to longer term benefits for the Australian community.

3.67 Through contact with working holiday makers, Australians, particularly those living in regional areas, are able to gain a better appreciation of other nationalities, languages and cultures. The relationships established and positive impressions gained during a working holiday can help to generate increased tourism interest in Australia and future business and commercial links with other countries. In some cases, it stimulates interest in future migration to Australia.

3.68 The reciprocal nature of the working holiday program also means that young Australians can share in the same benefits which are available to overseas working holiday makers. The working holiday program presents an important opportunity for young Australians to experience the world before they have to compete in it. The skills and cultural appreciation which young Australians acquire during a working holiday overseas, and which they bring back home, benefit their own and Australia's future.

3.69 The working holiday program provides direct benefits for the Australian economy, with current estimates showing that working holiday makers spend between \$400m and \$450m in Australia annually. Importantly, most of the money they earn in Australia is put back into the economy, thereby generating growth and employment. As a result of their propensity to travel widely and visit remote destinations, the money they spend reaches a broad cross-section of the local economy.

64 Evidence, p. S334.

3.70 Working holiday makers are an important source of supplementary labour for those industries requiring short-term casual workers, such as the horticultural industry. In many instances, their presence is critical at peak times.

3.71 Although statistical evidence indicated that the overall impact of working holiday makers on the Australian labour market is minimal, they have significant impact on specific industries in particular regions.

3.72 The adverse labour market impact of working holiday makers is compounded if they breach the work condition of the visa or if employers allow backpackers on visitor visas to undertake work illegally because they have not distinguished between visa conditions for visitors and working holiday makers. Although there was no statistical evidence before the Committee, it appears that there is a high probability that a percentage of backpackers on visitor visas work while they are in Australia. This is a matter which requires attention and is dealt with in further detail in Chapter Five.

3.73 The Committee received disturbing evidence from Queensland regarding the use of working holiday makers by tour operators at the expense of Australians seeking jobs in the tourism industry. That evidence indicated distinct problems which need to be addressed in relation to tour guides, as detailed in Chapter Six.

3.74 Evidence from the Cairns CES that a ready supply of working holiday makers in some regions allows employers to avoid making a commitment to train Australians was of equal concern. As this disadvantages young people entering the work force, it is also a matter which warrants attention.

3.75 While supporting the working holiday program, the Committee is adamant that it should not be used as a basis for solving labour market problems in Australia. The use of working holiday makers as a base pool of casual labour or as a primary source of specialist skills, such as language skills, may provide a short-term solution to a labour market problem but is not in the longer term interests of either the relevant industry or the Australian community. In the Committee's view, labour market issues should be addressed through appropriate labour market programs.

3.76 The Committee was hampered by the limited nature of existing statistics and research on the labour market impact of working holiday makers. The Committee was reliant upon the few surveys which have been conducted on this issue and the evidence it obtained during the inquiry, much of which was anecdotal. It is clear that more detailed research is required to facilitate future decision making on the issues which confronted the Committee during the inquiry.

Recommendations

3.77 **The Committee recommends that:**

- 1. Australia's working holiday program be maintained because it:**
 - (a) enhances the cultural and social development of young people;**
 - (b) promotes mutual understanding between Australia and other nations;**
 - (c) generates economic benefits; and**
 - (d) is an important component of the tourism industry;**
- 2. the original intention of the working holiday program be reinforced so that it remains a program which provides an opportunity for an extended holiday with incidental work and is not used either to resolve labour market problems in Australia or as a mechanism by which people can circumvent normal migration processes in order to remain in Australia, particularly in employment related categories; and**
- 3. to assist with future decision making on the working holiday program, and in view of the paucity of relevant statistics and detailed research currently available on the program:**
 - (a) research be undertaken by government to allow for a more comprehensive assessment of the labour market impact of working holiday makers;**
 - (b) the Department of Immigration and Multicultural Affairs seek more detailed information from working holiday makers, including their educational qualifications and occupational backgrounds, to provide a more comprehensive profile of working holiday makers entering Australia; and**
 - (c) the Department of Immigration and Multicultural Affairs conduct exit research on working holiday makers to provide information and statistics on their experiences in Australia, focusing on the nature and duration of employment undertaken, as well as the breadth of their travel within Australia.**

Chapter Four

Scope of the working holiday program

Introduction

4.1 In the previous chapter, the Committee supported the continuation of the working holiday program, emphasising that its focus must be directed to the cultural and social development of young people. The next important task for the Committee was to consider whether the existing parameters of the program are appropriate.

4.2 The scope of the existing program is determined by three main factors—the criteria which people must satisfy in order to be granted a working holiday visa, the limit on the number of working holiday visas issued annually and the extent of publicity given to the program. Those factors establish who is eligible to come to Australia as a working holiday maker, where they come from and how many come.

4.3 During the inquiry, a range of views was presented to the Committee on the scope of the working holiday program. Much attention was focused on the existing controls through which the program is managed and whether the program should be expanded and diversified.

4.4 In this chapter, the Committee details the evidence and proposals it received on the future arrangements which should govern the operation of the working holiday program. In determining what those future arrangements should be, the Committee was conscious of the correlation between program size, program criteria and awareness of the program.

Program numbers

4.5 During the inquiry, there was considerable debate on whether there should be an annual limit on the number of working holiday visas which can be issued or whether the program should be demand driven. As noted in Chapter Two, an annual cap on working holiday visas was introduced on 1 December 1995 in response to increasing numbers of working holiday makers arriving in Australia and concerns about their impact on the Australian labour market. The initial cap of 33 000 visas issued offshore for 1995-96 subsequently was increased to 42 000 following representations from the tourism and horticultural industries. The 1996-97 limit was set at 50 000, and a provisional cap of 55 000 was established for 1997-98, pending the outcome of the Committee's inquiry.

Impact of the cap

4.6 Many respondents to the inquiry were critical of the cap on working holiday numbers, arguing that it creates a negative impression of Australia. It was suggested that this can impact adversely on Australia's ability to attract overseas visitors, particularly in the lucrative backpacker market. DIST, for example, commented:

Any difficulties, real or perceived, in obtaining WHM visas will almost certainly have an effect on the backpacker market. Backpackers operate largely by word-of-mouth and negative perceptions are relayed widely. If there are actual difficulties in obtaining a visa or a belief that serious restrictions apply to the WHM visa, then backpackers may well reconsider their destination choice or at least choose to stay a shorter length of time in Australia in favour of a country where they can work or which has a cheaper cost of living (an attribute of many of our Asian neighbours). A cap on the WHM scheme which gains publicity, as was the case earlier this year, certainly gives rise to a negative impression of Australia.¹

4.7 The Committee was told that the decision to impose a cap in December 1995 resulted in negative publicity in some overseas media and among tourism industry representatives.² While the Committee was provided with a few overseas press clippings relating to the imposition of the cap, other reports about negative publicity were anecdotal.

4.8 In this regard, DIST noted that, as the tourism industry, particularly its backpacker component, tends to operate by word of mouth, negative perceptions will not always appear as banner headlines.³ DIST indicated that, for this reason, it is difficult to obtain any empirical evidence on the extent to which there are negative perceptions about a country and the effect this has on people's travel choices.⁴

4.9 As noted in Chapter Three, some evidence was presented to the Committee indicating that New Zealand doubled its working holiday program in response to the capping of Australia's working holiday program in December 1995. However, this only meant an increase from 1 000 to 2 000 working holiday makers travelling to New Zealand, with current figures showing New Zealand still accepts fewer than 3 000 working holiday makers annually.

1 Evidence, p. S387.

2 Evidence, p. M5, p. M33 and pp. M382-M383.

3 Evidence, pp. M383-M384.

4 Evidence, p. M741.

4.10 According to the ATC, the negative publicity escalated when the initial 1995-96 cap was reached in March 1996. Commenting on the impact this had on the Australian tourism market, a representative of the ATC stated:

Earlier this year, once the cap was reached, I was contacted by a range of Australian operators who expressed a great deal of concern about the capping. Some of the operators who worked specifically in the youth market and exchange programs said it had a significant impact on their businesses. For example, one of the operators who contacted me was running six programs in the second half of the last fiscal year and then had those programs reduced to two. He said that, basically, that was a loss of 250 passengers that he would normally have brought down through to his business. A lot of Australian operators are contacting us and providing anecdotal evidence of loss of business through programs being cut.⁵

4.11 As noted by one respondent, the negative publicity generated by the cap can be even more significant if relevant information is not readily available. The Committee was told:

... when the cap was reached there were reportedly very poor communications between those people who were applying or who wished to apply for the program and the Australian consulates in the respective markets, which had in turn—because of word of mouth, which is the major source of communications in this sector of the market—a multiplier effect on the negative impact for Australia.⁶

4.12 It was suggested to the Committee that once the annual visa limit is reached, people will choose to travel to other countries in which they can work instead of visiting Australia. As a result, Australia will forgo the economic benefits which such people otherwise would bring. In the view of the Australian Youth Hostels Association, this will have longer term implications for Australia. It commented:

Over time, Australia will lose its attraction as the world's number one destination for backpackers, tarnished by a far less welcoming image of limited working holiday maker visas.⁷

4.13 Another impact of the cap noted in submissions is that it can result in an uneven flow of working holiday makers arriving in Australia, with a potential gap in arrivals once the cap is reached. The Committee was told that this would affect businesses which either cater for working holiday makers or require working holiday makers to fill labour shortages during peak seasons.

5 Evidence, p. M5.

6 Evidence, p. M15.

7 Evidence, p. S153.

Members of one group of hostels reported a general decrease in backpacker numbers after the cap was placed.⁸ Another respondent commented:

There was a period of a couple of months in Sydney this year when there were virtually no backpackers around because there was a sort of a lull. There is a lull in the marketplace which is actually going to follow its way around Australia.⁹

4.14 A related problem raised with the Committee was that people who are aware of the cap may apply for a working holiday visa early in the year, as a safeguard against missing out later, but may not end up using the visa. While the extent of this practice was not quantified, it was suggested that this could have a further adverse impact on businesses catering for working holiday makers.¹⁰

4.15 Tourism industry representatives also suggested that the cap introduces unnecessary complexity into the program. They indicated that a cap requires additional administrative mechanisms which enable applications to be rejected or deferred once the cap is reached. On this point, the Inbound Tourism Organisation of Australia stated:

The introduction of a cap, particularly if the cap is lower than the total demand (otherwise what is the point of a cap), inevitably leads to country quotas (formal or informal) which create another set of problems possibly leading to the demise of the Scheme because it has become so administratively costly and politically difficult.¹¹

4.16 The Youth Hostels Association of New South Wales argued that the cap could impact adversely on the opportunities which young Australians have to undertake working holidays overseas if, in response to Australia's cap, other countries impose a limit on the number of working holiday visas to be issued to Australians.¹² In this regard, it is relevant to note that currently only one country, Canada, imposes a quota on the number of working holiday visas which can be issued annually to Australians. No other country to date has indicated that it intends to introduce a cap in response to Australia's decision to impose a cap.

Need for a cap

4.17 In a number of submissions, it was argued that there is no need for an annual limit on working holiday makers because the program traditionally has been self-regulating, with fewer working holiday makers arriving during

8 Evidence, p. S103.

9 Evidence, pp. M121-M122.

10 Evidence, p. S154 and p. S220.

11 Evidence, p. S47.

12 Evidence, p. S220.

times of economic downturn. As noted by the New South Wales Backpacker Operators Association:

The scheme has been in place since about 1975 and has not had a formal cap, as far as we know. It has ebbed and flowed, we think, in tune with the economic environment. In about 1988 there were 45 000 coming in, and it dropped right back in the early 1990s to 25 000. Why did this occur? It must be, we believe, because word of mouth let people know that there was less work available, and also people were less inclined to leave their jobs wherever they were coming from because the economy there was poor as well. So there seems to be almost a built-in control mechanism which is managing the scheme.¹³

4.18 It was suggested to the Committee that the only possible rationale for imposing a limit on working holiday makers is if it can be demonstrated that they have a negative impact on the labour market. Those opposing a cap argued that there is no evidence to suggest that working holiday makers are having an adverse effect on the employment prospects of Australians. Indeed, they referred to the findings of the Murphy study, discussed previously in Chapters Two and Three, which indicated that working holiday makers have a positive, albeit small, impact on the Australian labour market. On the basis of that study and their own experience, opponents of the cap concluded that there is no justification on labour market grounds to restrict the working holiday program by imposing an artificial numerical limit.¹⁴

4.19 Tourism organisations also argued that the capping of the working holiday program is not in line with the general premise that temporary entry to Australia should be demand driven and facilitated. On this point, DIST commented:

In no other case do we limit the number of tourists coming into Australia through visas. The WHM visa class is still a tourism visa in that it stresses the primary intent of the holder as tourism rather than work, 'a genuine visitor whose principal purpose is to spend a holiday in Australia'.¹⁵

4.20 DIST submitted that, because the longer term trend in working holiday maker arrivals indicates only moderate growth over time, it would be simpler and more cost-effective to have an uncapped program. In its view, it would be open to government to introduce a limit in the event of an unexpected, sustained surge in numbers.¹⁶

13 Evidence, p. M174.

14 Evidence, p. S48, p. S220, p. S279, p. S356 and p. S389.

15 Evidence, p. S390.

16 Evidence, p. S390.

Alternatives to the cap

4.21 As an alternative to the cap, DIST suggested that the criteria and conditions applying to the grant of a working holiday visa could be tightened in order to control numbers. It stated:

If it is decided that there is a need to limit the potential for adverse impacts from a growth in WHM visa numbers, there are ways of doing so without resorting to a cap. These involve varying the existing work conditions and eligibility requirements rather than setting an actual number of available WHM visas.¹⁷

4.22 One option proposed by DIST was to reduce the amount of time visa holders are permitted to work in Australia. According to DIST, in theory this would allow for an increase in the total number of working holiday makers without any associated increase in the quantum of work being undertaken.¹⁸

4.23 Another option put forward as an alternative to the cap was to restrict the age range for working holiday makers to 18 to 25 year olds, thereby cutting out 26 to 30 year olds. It was suggested that this would limit the program without the need to impose a cap on numbers.¹⁹

4.24 A third suggestion, noted by DIST and proposed by one horticultural organisation, was to limit the type of employment working holiday makers could undertake instead of limiting overall numbers.²⁰ It was proposed, for example, that permissible employment for working holiday makers could be limited primarily to unskilled labour, such as fruit picking. While noting that this was an option, DIST indicated that it did not support such a proposal as it would be difficult to enforce and would be regarded as somewhat arbitrary.²¹

Purpose of the cap

4.25 In contrast to those opposing a cap or proposing alternatives to it, DIMA submitted that, for planning purposes, it is preferable to set an annual target for the working holiday program which would outline the general parameters within which people are required to operate. DIMA stated:

... the purpose of a cap is to manage and to be seen to be managing. It does not mean that it has to be an inflexible cap. What it does is to put a marker out there in advance to say, 'This program is a managed program. It is not going to be allowed to run freely.' As long as it runs

17 Evidence, p. S390.

18 Evidence, p. S391.

19 Evidence, p. S391.

20 Evidence, p. S19 and p. S392.

21 Evidence, p. S392.

within a policy parameter which the government is comfortable with we will allow it to expand, but if it gets to a point where we are seeing major regional labour market impacts, or an overall labour market impact, we will maintain the cap.²²

4.26 DIMA indicated that a cap is the only reliable management tool for the program, because it can allow the market to grow while monitoring the impact in a controlled environment. It also noted that the cap does not contravene any of the reciprocal arrangements Australia has with other countries because limits are not placed on individual countries. While acknowledging that, for administrative purposes, notional planning allocations are ascribed to agreement countries and non-agreement countries with an interest in the program, DIMA indicated that they are only indicative planning levels which can be adjusted within the framework of an overall limit. According to DIMA, by and large the notional planning levels have been accurate and there have been no reports of problems.²³

4.27 In response to calls for abolition of the cap, DIMA acknowledged that it would be possible to allow the program to be demand driven and to impose a cap once it is demonstrated that existing numbers are having an adverse labour market effect. It submitted, however, that a sudden imposition of a cap could have a negative impact on the market. In DIMA's view, it is better to plan ahead and provide a degree of certainty for clients and administrators alike rather than be forced to react in response to an adverse situation once it has arisen.²⁴

4.28 DIMA also was concerned that removal of the cap would undermine public support for the working holiday program, particularly if removal of the cap were to result in a significant increase in program numbers.²⁵ In this regard, DIMA indicated that there is a significant pent up demand for working holiday visas to Australia. It estimated that, if the cap were lifted, numbers could increase by 10 000 almost immediately. DIMA was concerned about the impact such a sudden increase could have on the Australian labour market.²⁶

4.29 DEETYA and the ACTU agreed that it is preferable to have a managed program, particularly as there currently is little empirical evidence on the labour market effect of working holiday makers.²⁷ DEETYA suggested that

22 Evidence, p. M746.

23 Evidence, p. S327.

24 Evidence, pp. S327-S328 and p. M741.

25 Evidence, p. M741.

26 Evidence, p. M528.

27 Evidence, p. S261, p. S264, p. S407 and p. M563.

an open-ended program would be hard to pull back if and when problems begin to emerge over time.²⁸ It commented:

DEETYA believes, as a general principle, that the WHM program should be managed and seen to be managed. It does not support a demand driven WHM Scheme, especially when unemployment rates remain high and the Department is continuing to work closely with employers to address seasonal labour needs. An unlimited scheme could seriously jeopardise efforts to provide unemployed Australians with opportunities to gain employment in harvest and tourism related jobs.²⁹

4.30 In DFAT's view, if there is a belief that the number of working holiday makers entering Australia should be managed, then a cap is the most appropriate mechanism for doing so. DFAT commented:

... it is important that the country look at what is in its best interest and, if there are a certain number of working holiday makers in the country and it is decided that that is in the best interest, then the cap is far and away the best way of achieving that. I think that the possibility of achieving it through other means is far more complicated and has more potential effects.³⁰

Variations to the cap

4.31 In a few submissions, it was suggested that variations to the cap should be considered as a means of improving its effectiveness as a mechanism for managing the working holiday program. Proposals put to the Committee included the introduction of:

- country-specific quotas; and
- quarterly rather than annual quotas.

4.32 It was argued that country-specific quotas could be used to ensure that the program provides a benefit to the community. As stated in one submission:

Country specific quotas will enable Australia to ensure that a sufficient proportion of working holiday visas are issued to persons of nationalities which make the most significant contribution to the Australian economy and which are least likely to occupy jobs that may otherwise be occupied by Australian residents.³¹

28 Evidence, p. S264.

29 Evidence, p. S261.

30 Evidence, p. M748.

31 Evidence, pp. S228-S229.

4.33 One suggestion was that country-specific quotas could be determined on the basis of reciprocity, with targets for each country set according to the number of working holiday visas which that country grants to Australians. In that way, the reciprocal nature of the program would be emphasised.³²

4.34 In response to proposals for country-specific quotas, DIMA indicated that this may give rise to suggestions of discrimination, and may even cause legal problems relevant to the Racial Discrimination Act.³³ DIMA also argued that it would be difficult to establish the basis upon which each country quota should be set. It stated:

If we look at both sides, last year 32 Australians travelled to Korea and 603 Koreans came here. For Japan, 5 590 Japanese came to Australia and 1 276 Australians went to Japan, and that number from Australia has been falling over the last couple of years. In the case of Ireland, 4 316 Irish came to Australia and 123 Australians went to Ireland. For the Netherlands, 2 616 Dutch citizens participated in the scheme by coming to Australia and only 120 Australians went to the Netherlands. So, if we are looking at the question of capping reciprocally, there is a decided disadvantage, whichever way you want to look at it, in deciding which number you want to use as the basis for your cap. Do we cap on the basis of how many Australians go to Korea and only let 32 Koreans in, or vice versa?³⁴

4.35 The alternative suggestion of quarterly rather than annual quotas was made on the basis that such a system would assist in balancing out the program. It was argued that quarterly quotas would ensure that working holiday visas can be issued throughout the year, thereby avoiding any gap at the end of the year which could arise if an annual limit were reached early in the year.³⁵

4.36 DIMA did not support the proposal for quarterly quotas, indicating that it would not necessarily lead to a more even flow of working holiday makers throughout a year. As people granted working holiday visas have 12 months within which to enter Australia, a quarterly quota system would not guarantee that people granted a visa in one quarter would in fact come to Australia in that same quarter. DIMA also suggested that a quarterly quota system could disadvantage some working holiday makers in circumstances where high seasonal demand for a working holiday visa resulted in the rapid filling of the quarterly quota. This problem would be less likely to arise if the cap were maintained on an annual basis.³⁶

32 Evidence, p. S89.

33 Evidence, p. M748.

34 Evidence pp. M748-M749.

35 Evidence, p. S229.

36 Evidence, pp. S502-S503.

Size of the program

4.37 While much of the debate was focused on the need for a cap, some suggestions also were made on the overall size of the working holiday program. Contrasting views were expressed on whether program numbers should remain at existing levels or should be increased.

4.38 Representatives of the horticultural industry argued that, if a cap is to remain, the annual limit on working holiday makers should be increased to ensure that their industry's seasonal labour requirements can be satisfied.³⁷ An alternative proposal was to maintain the number of working holiday makers at existing levels but to introduce a visa which would provide a specific right to harvest work.³⁸

4.39 ACCI also argued for a more generous program. It suggested that the limit must be set at a level which reflects the positive contribution to the Australian economy made by working holiday makers and the growing international demand for working holiday visas to Australia.³⁹

4.40 By contrast, the ACTU and DEETYA argued against any significant increase in the number of working holiday makers until such time as further information is available on their labour market impact.⁴⁰ DEETYA commented that it would not support any marked increase in working holiday maker numbers, as has been the case over the last three years, until 'their impact on the labour market can be more accurately quantified and the unemployment rate among younger Australians seeking employment has been reduced'.⁴¹

4.41 On this issue, DIMA suggested that the cap should be set at a level which allows some growth in the size of the program.⁴² While DIMA did not specify the extent to which the program should be able to grow, the impression gained by the Committee was that a modest level of growth was acceptable to DIMA.

Conclusions

4.42 The capping of the working holiday program was one of the most contentious issues during the inquiry. The cap was introduced because of concerns about the impact of working holiday makers on the Australian labour market. Those concerns are of continuing relevance.

37 Evidence, p. S39, p. S81 and p. S142.

38 Evidence, p. S19 and p. S174.

39 Evidence, p. S287.

40 Evidence, p. S264, p. S407 and p. M563.

41 Evidence, p. S264.

42 Evidence, p. S329.

4.43 An unlimited and unregulated working holiday program could have an adverse effect on the job prospects of Australians. On the other hand, the cap also restricts the number of working holiday makers arriving in Australia each year and limits the potential tourism and related economic benefits which could accrue if an unlimited number of working holiday makers were allowed entry to Australia. These differing views about the cap reflected people's differing interests in the program.

4.44 Problems with the cap resulted principally from the 1995 decision to impose a limit on numbers without advance notice and in the middle of a program year. Similar problems were not encountered when the limit was determined at the outset of the 1996-97 program year and after consultations with relevant Commonwealth agencies and relevant industry, employer and trade union representatives.

4.45 While some argued that working holiday makers should be regarded in a similar way to people on visitor visas, who are not subject to a numerical limit, the Committee does not agree. The important difference is that working holiday makers have permission to work in Australia and, therefore, have the potential to affect the Australian labour market. Their presence requires more careful consideration and monitoring than does that of people on visitor visas.

4.46 With high unemployment levels in Australia, particularly among young people, there is a strong possibility that an uncapped program could result in jobs not being available to Australians. Public confidence in the working holiday program could be eroded if the program provided unlimited access for people with the potential to take jobs, even casual jobs, from Australians.

4.47 If the working holiday program is operated in a controlled environment, appropriate judgments can be made about the level at which the entry of working holiday makers would affect the labour market and erode public support for the program. A forward planning target for the number of working holiday visas to be issued annually provides the opportunity for such judgments to be made.

4.48 A managed program provides a level of certainty and openness for both participants and administrators. Proposed alternatives to an annual limit, such as altering the criteria or conditions attaching to a working holiday visa, or imposing a limit when problems are detected, would not deliver the same degree of certainty and may introduce separate administrative difficulties.

4.49 An annual target for the grant of working holiday visas would enable adjustments to be made when necessary. Appropriate decisions on program numbers require assessment of their likely implications, particularly for the Australian labour market, and consultations with interested parties.

Recommendations

4.50 The Committee recommends that:

- 4. for the next three financial years, the Minister for Immigration and Multicultural Affairs continue to set a target for the number of working holiday visas to be issued in a financial year, with that target to be reviewed during the year to allow for appropriate adjustments to be made;**
- 5. in establishing and reviewing the annual target for working holiday visas, the Minister for Immigration and Multicultural Affairs, through his Department, consult with relevant Commonwealth agencies and relevant employer, industry and trade union representatives; and**
- 6. the need for a cap on working holiday visas be reviewed by this Committee's successor in three years' time, once more detailed statistical evidence and research on the working holiday program are available.**

Program criteria

4.51 In addition to the question of how many working holiday makers should be allowed to come to Australia each year, it also was important for the Committee to consider who should be eligible to become a working holiday maker. In particular, the Committee was interested in whether the existing criteria for the grant of a working holiday visa provide an appropriate focus for the program.

Age and benefit criteria

4.52 As noted in Chapter Two, the existing criteria establish that the target group for working holiday visas is 18 to 25 year olds from countries with which Australia has reciprocal working holiday agreements. While 26 to 30 year olds from agreement countries and 18 to 25 year olds from non-agreement countries are eligible to apply for a working holiday visa, they must satisfy the additional criterion that the grant of a working holiday visa would be of benefit to themselves and Australia. The effect of this benefit test is that, on average, fewer than ten per cent of working holiday makers come from non-agreement countries and only 13 per cent are agreement country nationals in the older age bracket (see Tables 2 and 4 on pages 19 and 21).

4.53 In its submission, DIMA suggested that the existing criteria applying to the grant of a working holiday visa should be reconsidered. It noted that overseas visa issuing posts have expressed concerns about the current age range for working holiday makers and the operation of the benefit criterion.⁴³

4.54 According to DIMA, overseas posts have been critical of the existing focus of the program on 18 to 25 year olds. DIMA commented:

They regard many applicants in this group, especially 18 to 20 year olds, as lacking in direction, often not possessing genuine funds, and most likely to abuse the visa conditions.⁴⁴

4.55 By contrast, DIMA indicated that older applicants in the 26 to 30 age group would be better suited as working holiday makers because they are more likely to have completed their education and training, are more stable and likely to obtain employment, are more likely to have sufficient money to support themselves, would be more suitable as prospective migrants, and would be less likely to breach visa conditions.⁴⁵ As noted above, currently only a small percentage of older applicants become working holiday makers because the additional benefit criterion which they must satisfy ensures that the program remains targeted at the younger age group.

4.56 A related concern raised by DIMA was that the benefit test is difficult to apply and, in fact, can lead to the rejection of worthy applicants. DIMA stated:

The application of this condition in an objective manner is extremely difficult according to posts and is viewed as a somewhat clumsy and arbitrary way of limiting the numbers. North American posts have stated that the benefit criterion is too vague to be administratively workable and that there are wide variations in interpretation from post to post. Such variations in administration may work to the disadvantage of some genuine applicants.⁴⁶

4.57 DIMA told the Committee that it has had difficulty in providing appropriate guidance to overseas posts on how the benefit test should be applied. DIMA commented:

From our perspective, it is extremely difficult to quantify or give guidelines as to what a benefit test should entail.⁴⁷

43 Evidence, pp. S324-S325.

44 Evidence, p. S324.

45 Evidence, pp. S324-325.

46 Evidence, p. S325.

47 Evidence, p. M752.

4.58 In light of the above concerns, DIMA suggested that it may be preferable to abandon the benefit test and to change the age range for nationals of agreement countries to 20 to 30 years. DIMA was not in favour of increasing the age range for nationals of non-agreement countries.⁴⁸

4.59 Industry and horticultural representatives, including ACCI, agreed that the focus of the program should be modified so that people up to the age of 30 can be granted a working holiday visa without having to satisfy a benefit test.⁴⁹ They noted that people worldwide are spending longer in post-secondary education, which means that they may not be available to undertake an extended holiday until they are in their mid-twenties. In their view, this should not count against people who wish to come to Australia as working holiday makers. Instead, they suggested that the higher level of education and greater experience which older applicants would possess would be of benefit to the Australian community. As stated by the Riverina Area Consultative Committee:

Those of a more mature age provide a different but valuable perspective of their own culture and can also facilitate and enhance linkages with Australia, perhaps with a different layer of their society than those of lesser age and experience. They also offer a more mature working approach that is of benefit to employers, particularly in rural sectors.⁵⁰

4.60 DFAT also was in favour of a broader age focus for the program, but suggested that a uniform age range should apply to nationals of agreement and non-agreement countries. A representative of DFAT commented:

On the age limit question, it is clear that there is no significant benefit to Australia in maintaining the existing distinction between agreement and non-agreement countries. From looking through the evidence, we have seen evidence which supports an increase in the age limit to 30 years. That is something that we canvassed in our submission, and I think most other submissions addressed that issue.⁵¹

4.61 Although supporting a uniform age limit for agreement and non-agreement countries, DFAT indicated that the focus of the program should remain on nationals of agreement countries. In its view, working holiday visas should be restricted to young people from agreement countries unless it can be

48 Evidence, pp. S325-S326.

49 Evidence, p. S174 and p. S286.

50 Evidence, p. S174.

51 Evidence, p. M751.

demonstrated clearly that the grant of a working holiday visa to the citizen of a non-agreement country brings some reciprocal benefit to Australia. DFAT stated:

... if you have the principle of reciprocity as the most important one, then the only way in which that can be tested for non-agreement countries is to apply some sort of a benefit criterion.⁵²

4.62 While acknowledging that there have been some problems in applying the benefit test, DFAT suggested that it is a necessary part of the program in relation to non-agreement countries, if such countries are to remain within the program. In DFAT's view, a benefit test applying to nationals of non-agreement countries enables Australia to ensure that the inclusion of non-agreement countries in the program does in fact bring some benefit to Australia.⁵³

Inclusion of non-agreement countries

4.63 A separate suggestion from DFAT was to reassess the value of including non-agreement countries in the working holiday program and, on the basis that there are no reciprocal opportunities for Australians to undertake working holidays in such countries, exclude them from the program altogether.⁵⁴ If such a proposal were combined with the suggestion to remove the benefit test for older applicants from agreement countries, the issue of the benefit test would be resolved in its entirety.

4.64 While not advocating the removal of non-agreement countries from the working holiday program, DIMA indicated that such a proposal may well be a more objective way of dealing with the problem of the benefit test.⁵⁵ Rather than having an arbitrary test which is difficult to apply and which in any event enables the exclusion of all but a small number of non-agreement country nationals, Australia could be open in stating that the working holiday program is only for nationals of those countries with which Australia has working holiday agreements.

4.65 In considering this option, DIMA noted that one benefit of allowing a small number of non-agreement country nationals access to working holiday visas is that their interest in the program can help to lay the foundations for a possible working holiday agreement with their countries.⁵⁶ The alternative view is that, by restricting the program to agreement countries, there is a clear

52 Evidence, p. M751.

53 Evidence, p. M751.

54 Evidence, p. M754.

55 Evidence, p. M755.

56 Evidence, p. M756.

incentive for non-agreement countries to seek the establishment of an agreement with Australia.⁵⁷

4.66 Another point raised by DIMA was that the inclusion of non-agreement countries in the program in any case may be brought into question if changes to the age range for agreement nationals or an expansion in the number of agreement countries result in increased demand for working holiday visas from agreement country nationals. As noted by one representative of DIMA:

... to the extent the program is to be diversified—and there has to be recognition that if it is diversified the cap needs to increase—it really raises the question of the position of non-agreement countries in this whole scheme. To the extent we have more agreement countries, the numbers are up, and the pressure will be very much, I would think, on the non-agreement country question. So the age and benefit tests need to be seen in light of all of those dynamics.⁵⁸

4.67 The Committee subsequently wrote to DIMA in order to clarify its view on two possible options in relation to non-agreement country nationals:

- excluding them from the working holiday program altogether; or
- imposing a specific cap on the number of working holiday visas issued to them annually.

4.68 On the exclusion option, DIMA responded:

Removing non-agreement countries from the program would reduce the current program by approximately 6.5% (approximately 3 300 places). These visa holders are currently drawn from more than 6 countries. This could be criticised by affected industries in Australia; particularly the tourism and horticultural industries. There may also be criticism of such a step from non-agreement countries, particularly those wishing to enter into reciprocal arrangements. These countries may be concerned at removal of access to the working holiday program for their nationals prior to completion of such negotiations. On the other hand, such removal may accelerate the progress of negotiations.⁵⁹

4.69 As for the capping option, DIMA indicated that, under the Migration Act, the Minister has the power to cap particular visa classes. DIMA stated that in order to cap the number of working holiday visas issued to non-agreement country nationals, it would be necessary to introduce a separate visa subclass for non-agreement countries.⁶⁰

57 Evidence, p. S511.

58 Evidence, p. M752.

59 Evidence, p. S511.

60 Evidence, pp. S511-S512.

4.70 DIMA's overall view was that either option 'may be throwing the baby out with the bathwater'.⁶¹ It commented:

This is because within the range of entrants from non-agreement countries is a number of semi-formal agreements (eg the Student Work Abroad Program (SWAP) with the United States) that we would not want to exclude or limit.⁶²

4.71 As a possible alternative, DIMA suggested that the Committee could consider the exclusion of all non-agreement country nationals where they are not covered by semi-formal arrangements, such as the Student Work Abroad Program. DIMA stated:

Permitting such semi-formal arrangements to continue and expand, on the basis of approval of each semi-formal arrangement by the Minister, would provide an opportunity for the WHM program to continue to diversify into countries where a national level agreement is either not possible or unlikely to be reached in the foreseeable future (eg the United States). At the same time, restricting the WHM program to agreement countries and Ministerially approved semi-formal arrangements would enable the 'benefit' criterion to be abolished.⁶³

Conclusions

4.72 The working holiday program would be enhanced if people in the 26 to 30 year age bracket were to have easier and thereby greater access to the program. Easier access to the program can be achieved by abolishing the additional benefit criterion which such people currently must satisfy in order to be granted a working holiday visa.

4.73 As people are tending to stay longer in education, a more generous age range for the working holiday program is likely to contribute to the cultural and social objectives of the program by ensuring that those who pursue tertiary education have ample opportunity to participate in the program.

4.74 Removal of the benefit criterion would establish a more open and less arbitrary process for determining a person's suitability to become a working holiday maker.

4.75 The Committee does not agree with DIMA's suggestion that 18 to 20 year olds be excluded from the program, given the small percentage of working holiday makers in that age bracket. Reports from certain overseas posts, which suggested that such young people may be without direction and may be more likely to breach visa conditions, were not borne out in evidence to the Committee.

61 Evidence, p. S512.

62 Evidence, p. S512.

63 Evidence, pp. S512-S513.

4.76 As a broader age range for the program is likely to lead to greater demand for working holiday visas, particularly from nationals of agreement countries, it is reasonable to question whether nationals of non-agreement countries should be included in the program at all.

4.77 Retention of non-agreement countries in the scheme would contribute to increasing pressure on numbers. It may result in the cap being reached earlier than is desirable.

4.78 The exclusion of non-agreement countries from the program could act as an incentive for countries to enter into working holiday agreements with Australia, thereby providing reciprocal benefits for Australian youth. (As noted later in this chapter, a number of countries approached by Australia have been wavering on whether to establish working holiday agreements. If their nationals only can have access to the working holiday program through a reciprocal agreement with Australia, it may give greater impetus for such agreements to be established.)

4.79 Restricting the program to agreement countries also would accord with international practice. Australia appears to be the only country in the world which currently allows nationals of non-agreement countries access to its working holiday program.

4.80 Given that only a small percentage of working holiday makers come from non-agreement countries, it is unlikely that removal of non-agreement countries from the program would have any adverse impact on bilateral relations. There is a range of other visa categories in which suitably qualified applicants from countries which do not have working holiday agreements with Australia are able to enter Australia for extended periods of stay.

4.81 The overall benefit of restricting the working holiday program to agreement countries is that it would ensure a properly targeted and easily administered program under which the reciprocal benefits are clear. By providing a broader age range of working holiday makers from those countries, the program's objectives would be enhanced at the same time.

4.82 While there are various advantages which would result from the exclusion of non-agreement countries from the program, there also are certain disadvantages which need to be taken into consideration in determining the best option for Australia.

4.83 By removing non-agreement countries from the program altogether, Australia would close the door on any mutual benefit which could be derived from a broadly based program. An advantage of the existing program is that young people from many countries are able to experience Australia. This helps to increase our international exposure, which is important if Australia is to expand its links within the international community. The more young people from different countries who are able to experience Australia, the greater potential there is for benefit to Australia in the longer term.

4.84 Removing non-agreement countries from the program also could reduce the opportunities for new reciprocal agreements. One determinant of whether a country seeks a working holiday agreement with Australia is the level of interest which its young people have in undertaking a working holiday in Australia. If countries do not have any access to the program, even in a limited capacity, that interest would be more difficult to gauge.

4.85 On balance, therefore, the Committee considers that it is in Australia's best interests to ensure that the primary focus of the working holiday program remains with agreement countries, but that some scope be retained for non-agreement country nationals to have access to the program. In that way, the benefits of the program will be focused broadly while the program itself will be targeted appropriately.

4.86 In determining that nationals of non-agreement countries should continue to have some, albeit limited, access to the working holiday program, the dilemma for the Committee was whether such access should be managed through a benefit test, a cap on the number of non-agreement country nationals or some other semi-formal arrangement. All of these options presented difficulties. The Committee already has recognised that the benefit criterion is somewhat arbitrary and difficult to assess. As for the option of developing semi-formal arrangements with non-agreement countries, proposed by DIMA late in the inquiry, this appears to be overly complex. Advice to the Committee also indicated that a separate cap on non-agreement country nationals would require the establishment of a separate visa sub-class, which would appear to be contrary to the general trend towards simplification of visa classes.

4.87 On balance, the Committee considers that the preferable option is to impose a separate cap on the number of working holiday visas granted annually to nationals of non-agreement countries, so that the criteria for the grant of a working holiday visa are not unnecessarily complicated and so that the percentage of non-agreement country nationals participating in the working holiday program remains at an appropriate level.

Recommendations

4.88 **The Committee recommends that:**

7. **the benefit criterion be abolished so that no applicants for a working holiday visa are required to show that the grant of a working holiday visa would be of benefit to themselves and Australia;**
8. **nationals of agreement countries be eligible for a working holiday visa if they are aged between 18 and 30 years;**

9. **nationals of non-agreement countries be eligible for a working holiday visa if they are between 18 and 25 years old and can satisfy appropriate bona fides checks;**
10. **an annual cap be introduced on the number of working holiday visas to be granted to nationals of non-agreement countries, with the cap set at five per cent of the overall program number; and**
11. **the Department of Immigration and Multicultural Affairs develop strategies aimed at encouraging applications for working holiday visas from a diverse range of nationalities.**

Application requirements

4.89 The requirements for lodgment of working holiday applications are an additional factor influencing the scope of the working holiday program. While the criteria for grant of a working holiday visa are the principal determinants of who can have access to the working holiday program, accessibility to the program also is influenced by the ease with which people can apply for a working holiday visa.

4.90 As noted in Chapter Two, application requirements differ according to an applicant's country of origin. Nationals of four agreement countries (the United Kingdom, the Republic of Ireland, the Netherlands and Canada) may apply for an Australian working holiday visa from any overseas country. By contrast, the nationals of non-agreement countries and the agreement countries of Japan, Korea and Malta may apply for an Australian working holiday visa only in their country of citizenship.

4.91 The other limitation is that original applications for a working holiday visa may not be made from within Australia. The only working holiday applications which can be lodged in Australia are from those people who already have entered Australia as a working holiday maker. Such people may wish to travel to other countries during the validity period of their Australian visa. If the working holiday visa is due to expire during their absence, they may apply for a further visa before they leave so that they can re-enter Australia and continue their working holiday until the maximum allowable stay of 12 months is reached. Alternatively, if the visa is not due to expire during their absence in another country, they can apply for the additional visa on their return to Australia, again to make up a total of 12 months maximum stay.

4.92 While the existing application requirements were not a significant focus of evidence, the Committee was interested in the reasons for the different application requirements between countries and whether those differences should remain, particularly between agreement countries. Some evidence also was received on the existing prohibition of onshore applications.

Offshore applications

4.93 According to DIMA, the differences in application requirements between countries relate to both administrative and historical factors. DIMA indicated that it is easier to monitor the program and set appropriate planning levels if people are required to apply for a working holiday visa in their country of citizenship. To this end, more recent working holiday agreements have included this requirement.⁶⁴

4.94 Commenting on the different approach taken to some agreement countries, a representative of DIMA stated:

That is either a quirk or an accident of history. The first one outside of Europe may have been Japan, and I think that when that was being negotiated this matter came up. It is true to say that, while we call them reciprocal arrangements, they are not truly reciprocal. And some of them, while they are called arrangements are merely an understanding on paper; they are not formally at treaty status, or anything else. So there have been—with the evolution of time—a variety of arrangements put in place. But there is no special significance to the inside-outside the country of origin [application requirement] other than the fact, I suppose, that we may have tightened up in more recent years.⁶⁵

4.95 On this issue, it is relevant to note that the agreement with Japan, which provides that Japanese citizens must apply for an Australian working holiday visa in Japan, preceded the agreement with the Netherlands, which enables Dutch citizens to apply from any overseas country. Subsequent agreements with Korea and Malta have been modelled on the Japanese agreement.⁶⁶

4.96 In evidence, DIMA appeared to suggest that, in the near future, it may be possible to allow the nationals of any country to apply for a working holiday visa at any overseas post. Currently visa grants from non-agreement countries are reported manually, which means that complex cross-reporting would be required if all working holiday applicants were able to apply at any overseas post. DIMA, however, advised that the implementation of new reporting

64 Evidence, p. S324.

65 Evidence, p. M538.

66 Evidence, p. S324.

systems in the near future could alleviate difficulties in this regard. DIMA stated:

It will probably not be until well into next year that our systems will be able to deliver management capability, so that we could scrap the requirement for people to apply in their country of nationality.⁶⁷

4.97 At the same time, DIMA warned that the ability to apply for a working holiday visa outside an applicant's country of citizenship has considerable potential to place additional pressure on program numbers, particularly if such a capability were available to and used widely by nationals of non-agreement countries.⁶⁸

4.98 One option proposed in DIMA's submission was to implement a uniform application requirement for the nationals of all countries, so that they all must apply in their country of citizenship. This would require revisiting the arrangements with the United Kingdom, the Republic of Ireland, Canada and the Netherlands. In this regard, DIMA noted that most agreement countries require Australian applicants for a working holiday visa to apply in Australia.⁶⁹

4.99 DIMA's alternative suggestion was to allow all nationals to apply from any country. In its view, this would be feasible if the potential for increased pressure on program numbers is not a concern and if, as suggested at paragraph 4.96, monitoring difficulties can be overcome.⁷⁰

4.100 The main concern of other respondents was the different application requirements between agreement countries. Both Tourism Council Australia and DFAT indicated that the distinction between agreement countries is anomalous and should be addressed.⁷¹ DFAT commented:

On equity grounds, I guess you would have to say that, where there is an agreement, provided there are no technical barriers to it, applications should be able to be made anywhere.⁷²

4.101 According to DFAT, this may give rise to some management issues, as nationals of all agreement countries could make applications at any Australian mission overseas, including those not staffed by immigration officers. It indicated, however, that this should not cause any undue difficulties, with equity among agreement countries being a matter of greater significance.⁷³

67 Evidence, p. M760.

68 Evidence, p. S324 and p. M523.

69 Evidence, p. S324.

70 Evidence, p. S324.

71 Evidence, p. S353 and p. M761.

72 Evidence, p. M761.

73 Evidence, p. M761.

4.102 At the same time, DFAT did not support the proposal to allow nationals of non-agreement countries to apply for a working holiday visa outside their country of citizenship. It commented:

To open the field and say that anybody could apply anywhere would be complicating the mechanisms unduly.⁷⁴

Onshore applications

4.103 While most of the evidence about application requirements was focused on offshore applications, one suggestion to the Committee was that it would be helpful if visitors to Australia were able to apply for a working holiday visa after their arrival.⁷⁵ It was noted that, in some cases, people do not find out about the working holiday program until they arrive in Australia. It was suggested that there could be some scope for allowing such persons to apply for a working holiday visa from within Australia.

4.104 In response, DIMA indicated that if original applications for a working holiday visa could be lodged onshore, it is likely that there would be a significant increase in the number of applications and the whole focus of the program would shift onshore. DIMA commented:

With the number of tourists coming into Australia who discover they like it, I think Australia would probably very quickly become the largest source of working holiday maker visas if you allowed them to be granted from within Australia.⁷⁶

4.105 DIMA was concerned that if original applications could be made within Australia, it would open a review right for working holiday makers and, thereby, change the focus of the program. Applicants refused a working holiday visa onshore could seek a review of that decision by the Immigration Review Tribunal, and that eventually could lead to a legal challenge. During the period of the review and any subsequent legal challenge, the applicant would be able to remain within Australia.⁷⁷

4.106 DFAT also was opposed to an expansion of the working holiday program to allow original onshore applications. A representative of DFAT stated:

On this I think we are in complete agreement with DIMA: we do not think that would be a good idea. The presumption is that you apply to come to the country under certain conditions. To seek to change those conditions when you are in the country *prima facie* throws doubt on the *bona fides* you had in applying for the visa in the first place. In

74 Evidence, p. M761.

75 Evidence, p. M610.

76 Evidence, p. M523.

77 Evidence, p. M762.

general, we would say that you apply to come into Australia for a purpose and that is the way you should use your visa.⁷⁸

Conclusions

4.107 The existing requirement which prevents nationals of non-agreement countries from applying for a working holiday visa outside their country of citizenship is appropriate. It helps to ensure that access to the program by such people is contained. As such, it complements the Committee's recommendation for a cap on the number of working holiday visas to be issued to non-agreement country nationals (recommendation 10).

4.108 Nationals of agreement countries should be subject to a uniform procedure for lodgment of working holiday applications in order to avoid accusations of discrimination and unfairness. They should be able to lodge an application for an Australian working holiday visa in any overseas country. The statistics indicate that this opportunity already exists for around 80 per cent of working holiday makers. To extend this possibility to all agreement country nationals maximises the flexibility of the program. On the basis of advice from DIMA regarding technological improvements to its reporting systems, this change is unlikely to present any undue technical difficulties.

4.109 The proposal that people be allowed to lodge original applications for a working holiday visa from within Australia has more disadvantages than advantages. Of particular concern is the likelihood that such a change would lead to a significant increase in working holiday visa applications, thereby placing additional pressure on program numbers, and could alter the entire focus of the program. Of equal or greater concern is the fact that any decision to refuse a working holiday application lodged onshore would become subject to merits review, which not only would place additional pressure on administrative review processes but also could lead to administrative complexities if, pending a merits review, people are able to delay their departure from Australia.

Recommendations

4.110 **The Committee recommends that:**

- 12. the existing application requirement for nationals of non-agreement countries be retained so that they are allowed to lodge an application for an Australian working holiday visa only in their country of citizenship;**

⁷⁸ Evidence, p. M761.

13. **there be a uniform application requirement for nationals of agreement countries so that any agreement country national can apply for an Australian working holiday visa from any overseas country; and**
14. **the prohibition on onshore applications be retained so that original applications for an Australian working holiday visa cannot be made in Australia.**

Reciprocal agreements

4.111 Further factors influencing the scope of the working holiday program are the number and nature of reciprocal working holiday agreements which Australia has established with other countries. In this regard, the Committee was interested in the adequacy of existing agreements as well as the desirability of and possibilities for increasing the number of agreements.

Existing agreements

4.112 Both DIMA and DFAT argued that the existing reciprocal working holiday arrangements are working well and are viewed positively by participating countries.⁷⁹ Feedback from overseas posts generally supported this view, although difficulties were noted in relation to the requirements imposed by one agreement country (see paragraph 4.115).

4.113 As noted in Chapter Two, one feature of the existing working holiday program is that the requirements which Australians must satisfy in order to undertake a working holiday overseas vary between agreement countries, as do the conditions attaching to the working holiday visas issued by those countries. This reflects the varying nature of the arrangements which have been established. As noted by DIMA, and detailed at paragraph 4.94, some of the arrangements are relatively informal.

4.114 DIMA commented that the varying criteria and conditions applied by arrangement countries have not given rise to any difficulties. In its view, uniformity of agreements is neither necessary nor important. DIMA stated:

Whether reciprocity on the part of some arrangement countries is adequate is a moot point. The expectations of arrangement countries vary. Provided Australia and young Australians benefit from such arrangements, there seems to be little point in attempting to make the scheme more uniform. The agreements are reasonably general and non-specific in relation to conditions that apply reciprocally. Reciprocal arrangements have satisfied the programme's objective of providing young Australians with opportunities for cultural

79 Evidence, p. S338 and p. S456.

understanding through working holidays overseas and diversification would further that objective.⁸⁰

4.115 While the general perception was that the existing agreements do not give rise to any concerns, a specific problem was identified in relation to the Netherlands. As noted in Chapter Two, the Australian mission at The Hague reported that the onerous requirements which young Australians must satisfy before they are able to gain work in the Netherlands act as a disincentive to undertaking a working holiday in that country. This appears to be reflected in the statistics, which show that only a small number of young Australians travel to the Netherlands for a working holiday.

4.116 Another area of concern for the Committee was the overall imbalance in the number of young people from overseas undertaking working holidays in Australia as compared with the number of Australians travelling overseas for a working holiday. This issue is discussed in further detail later in this chapter.

Expanding the program

Appropriateness of new agreements

4.117 As the general impression gained by the Committee was that, on the whole, the existing working holiday agreements are working well and are of benefit to Australia and young Australians, the Committee was interested in whether there would be any benefit from or scope for increasing the number of countries with which Australia has working holiday agreements. In this regard, the Committee was cognisant of the recommendation on this issue made by the Committee of the 37th Parliament in its report on Australia's visa system for visitors. The previous Committee recommended that the Australian Government enter into negotiations with other governments with the aim of establishing additional bilateral agreements which would allow for easier and improved access to working holiday maker arrangements for nationals of other countries visiting Australia and Australian citizens travelling abroad.⁸¹

4.118 The broad thrust of that recommendation was supported in submissions to the current Committee's inquiry. A number of respondents echoed the call of the previous Committee for a diversification of the working holiday program through the establishment of additional working holiday agreements.

4.119 DIMA indicated that Commonwealth agencies, industry groups and other interested parties generally support diversification of the working holiday program.⁸² In DIMA's view, the benefits of diversification are largely

80 Evidence, p. S338.

81 *Australia's Visa System for Visitors*, op. cit., p. 214.

82 Evidence, p. S339.

self-evident. By encouraging a more diverse range of nationalities amongst working holiday makers, the benefits of the program are shared more widely. DIMA commented:

If reciprocal agreements are reached with more countries, more young Australians will be afforded a wider range of opportunities and greater diversity will enhance the benefits of cultural exchange. At the broader level, successful negotiations for WHM agreements have the potential to enhance bilateral relationships between the Australian Government and other countries.⁸³

4.120 This view was supported by other inquiry respondents, including DFAT, tourism organisations and industry representatives. The benefits which would flow to Australian youth were highlighted to the Committee. ACCI, for example, stated:

... a wide range of experiences for young Australians is important, and would be furthered by the opportunity to visit as many different parts of the world as possible under reciprocal arrangements.⁸⁴

4.121 While there was general support for increasing the number of working holiday agreements, DIMA warned that any such increase would place additional pressure on program numbers. DIMA indicated, however, that it supported diversification of the program provided the need for managing the program's cap was taken into account.⁸⁵

Negotiations in progress

4.122 During the inquiry, the Committee received some information from DFAT and DIMA on negotiations which Australia has pursued with a view to establishing new reciprocal working holiday agreements. The information related to recent developments, although the Committee understands that throughout the history of the working holiday program there have been various attempts at expanding the number of agreements.

4.123 DIMA advised that since 1994 attempts to diversify the program have met with limited success. It noted that while new agreements have been signed with Korea and Malta, and negotiations with Cyprus are at an advanced stage, positive outcomes have yet to be achieved from approaches which have been made to other countries. In its submission, DIMA reported that:

- Italy was interested in formalising an agreement but has had to address some complex issues regarding its law on employee rights and entitlements;

83 Evidence, p. S338.

84 Evidence, p. S291.

85 Evidence, pp. M778-M779.

- Greece was likely to defer entering an agreement because of its preoccupation with implementation of the Schengen agreement and the need to harmonise its entry policies with those of other European Union countries;
- Spain has yet to respond to a follow-up proposal from Australia in November 1995;
- France had not responded to Australia's initial approach in November 1994 and Australia did not follow up the approach because of controversy surrounding France's nuclear testing in the Pacific; and
- Israel advised in February 1996 that, since volunteer programs are a well established concept in Israel and have been flourishing for many years, the Government of Israel did not feel that formalisation of arrangements through a working holiday agreement would enhance existing opportunities or arrangements.⁸⁶

4.124 In relation to the European Union countries, DFAT confirmed DIMA's advice and commented:

They needed to establish and simplify their own visa arrangements with each other before they could deal with third parties such as ourselves. But the matter is on hold only, and is able to be reopened.⁸⁷

4.125 Subsequent to that advice, some progress was made in relation to a possible agreement with Italy. A joint declaration on 7 February 1997 by the Australian and Italian Foreign Ministers stated:

We recognise that creating opportunities to holiday and work in our two countries fosters a greater understanding of our respective cultures and societies. To this end we have agreed to continue discussions for the possible establishment of a reciprocal Working Holiday Maker Agreement.⁸⁸

4.126 In addition, DIMA advised in April 1997 that, in contrast to an earlier response, Israel recently expressed interest in a possible working holiday agreement with Australia. According to DIMA, the Israeli Minister of the Interior recognised the cultural and economic benefits of such an agreement and requested further information on operational aspects of an agreement and the

86 Evidence, pp. S339-S340.

87 Evidence, p. M482.

88 Attachment to Press Release by the Hon Alexander Downer, MP, Minister for Foreign Affairs, FA 9, 6 February 1997, p. 4.

potential level of interest which young Australians may have in undertaking a working holiday in Israel.⁸⁹

Future possibilities

4.127 Alongside the above information regarding the countries which have indicated an interest in establishing a working holiday agreement with Australia, a range of views was presented to the Committee on the countries which Australia should be canvassing for an agreement. Respondents to the inquiry not only outlined the issues which should be taken into consideration in determining the most appropriate countries for an agreement, but also identified specific countries which they would favour for any new agreement.

4.128 According to DIMA, if there is to be an increase in the number of reciprocal agreements, the following factors should be taken into account in determining which countries should be afforded priority:

- the nature of their relationship with Australia, including present and possible future trading status;
- possible benefits from the agreements for young Australians, including the likelihood of adequate reciprocity in terms of opportunities to work, wage rates and conditions;
- overstay rates; and
- the pressure which new agreements would place on overall program numbers.⁹⁰

4.129 DFAT recognised that an increase in the number of reciprocal arrangements could present difficulties in relation to the overall size of the program, but argued that, from its perspective, there was not an optimum number of countries. DFAT emphasised that the main consideration should be reciprocal benefit to Australia.⁹¹ On this basis, it suggested that the following should be considered for a working holiday agreement:

- any country of the European Union which does not have an agreement with Australia;
- other western European destinations to which young Australians are known to travel frequently, including Sweden, Norway, Switzerland and Denmark;

89 Evidence, p. S499.

90 Evidence, p. S340.

91 Evidence, p. M777.

- countries for which the cost of travel to and from Australia is substantial and the labour market conditions and regulations are comparable broadly with those in Australia, including some Latin American countries, such as Chile and Argentina, and some countries of the former Soviet Union, including Ukraine, Estonia, Latvia and Lithuania; and
- neighbouring countries in Asia and the Pacific with which Australia may wish to promote mutual awareness and understanding.⁹²

4.130 Tourism organisations suggested that the tourism benefit to Australia should be an important factor in determining which countries should be targeted for new working holiday agreements. In DIST's view, the target countries from a tourism and, more specifically, a backpacker perspective should include Germany, the United States of America and the Scandinavian countries. Those countries accounted for almost a third of backpackers in Australia in 1994 but accounted for only two per cent of working holiday makers.⁹³

4.131 In nominating the above countries, DIST stated that it would not exclude from consideration countries in the Asian region. However, it suggested that DIST's priority countries were those with which Australia would be most likely to have reciprocal arrangements at the earliest opportunity.⁹⁴

4.132 The ATC agreed that the United States, Scandinavian countries and European Union countries, particularly Germany and France, should be a focus of efforts to secure new agreements. It also nominated South Africa for inclusion in the program.⁹⁵

4.133 The Youth Hostels Association of New South Wales nominated similar countries for new agreements, but also suggested that consideration be given to Asian countries including Taiwan, Singapore and Malaysia. The Association, however, argued that the introduction of new agreements should not be at the expense of existing arrangements with, for example, the United Kingdom.⁹⁶

4.134 While a number of submissions recommended that a reciprocal working holiday agreement be sought with the United States, information provided to the Committee by DFAT indicated that presently the United States would not be interested in such an agreement. DFAT noted that it would not be politically feasible for the United States to have a working holiday arrangement

92 Evidence, p. S457.

93 Evidence, p. S396.

94 Evidence, p. M385.

95 Evidence, p. S281.

96 Evidence, p. S222.

with Australia without considering such arrangements with many other countries.⁹⁷

Conclusions

4.135 Reciprocal agreements are the centrepiece of the working holiday program. They establish the basis upon which young people from overseas and young Australians can enjoy reciprocal working holiday opportunities in each other's countries.

4.136 The Committee agrees with DIMA that the reciprocal agreements do not need to be uniform in nature. As long as the benefits are reciprocal, it is appropriate to have a measure of flexibility in relation to the arrangements which are established.

4.137 The Committee is concerned, however, that reciprocal opportunities for young Australians to undertake working holidays in some overseas countries exist in principle but not in practice. Evidence to the Committee indicated that the bureaucratic obstacles faced by Australian working holiday makers in the Netherlands make it very difficult for them to obtain work there. This matter requires attention to ensure that the agreement with the Netherlands delivers adequate reciprocal benefits to young Australians.⁹⁸ If similar difficulties occur in terms of reciprocity offered to young Australians by other agreement countries, the sources should be identified and addressed.

4.138 At the same time, an expansion of the program to other countries which are willing to offer reciprocal working holiday opportunities for young Australians will bolster the program's main objectives of promoting mutual understanding and increasing cultural and social ties between Australia and other nations.

Recommendations

4.139 **The Committee recommends that:**

15. **the Australian Government undertake discussions with the Government of the Netherlands with a view to ensuring that the requirements and conditions underpinning the working holiday agreement between the two countries provide genuine opportunities for young people of each country to undertake work in the other; and**

97 Evidence, p. M495.

98 The current lack of reciprocity is evident also in the statistics, for instance, in the 1995 calendar year approximately 120 Australians went to the Netherlands as working holiday makers, while in the 1995-96 financial year more than 2 600 Dutch working holiday makers entered Australia.

16. **the Australian Government actively pursue new reciprocal working holiday agreements with other countries taking into consideration the following criteria:**
- (a) the nature of Australia's relationship with the country, including current and potential cultural, social, trading and tourism links;**
 - (b) the extent to which young Australians will have reciprocal opportunities to benefit from a working holiday in the relevant country, taking into consideration the eligibility criteria for and terms and conditions attaching to the grant of a working holiday visa, as well as the opportunities for gaining work;**
 - (c) Australia's broad objective of increasing links with its regional neighbours;**
 - (d) the overstay rate in Australia of visitors from the particular country; and**
 - (e) the likely impact which an agreement with that country will have on program numbers.**

Administration of the program

4.140 A final issue relevant to the scope of the working holiday program was the adequacy of the existing arrangements for administration of the program. In a similar way to the application requirements, the general arrangements for administration of the program, including matters such as visa processing and availability of information, can affect people's accessibility to and perceptions of the program.

Existing administrative arrangements

4.141 Limited evidence was received by the Committee on the operation of existing administrative processes. While there did not appear to be any significant dissatisfaction with the administration of the program, some respondents highlighted the need to continually monitor administrative processes to ensure their efficiency and effectiveness. Some specific concerns also were raised in a few submissions.

4.142 In its submission, the ATC suggested a review of existing administrative arrangements in order to ensure:

- consumer friendly processes for working holiday applicants;
- consistency in application of criteria;

- communication with consumers and industry;
- decisions based on adequate market research; and
- adequate distribution and access for working holiday consumers.⁹⁹

4.143 From a tourism industry perspective, DIST emphasised the importance of efficient administrative procedures without indicating any problems with existing processes. As noted at paragraph 4.6, DIST argued that any actual or perceived difficulties in obtaining a working holiday visa will impact on the backpacker market, as backpackers may well reconsider their destination choice, or at least choose to stay a shorter length of time in Australia.¹⁰⁰

4.144 Of the few complaints which were made about the administrative arrangements, the most common centred around delays in the processing of applications and poor communications, particularly between applicants and consulates when the cap was introduced.¹⁰¹ One submission referred to procedures in Japan as inadequate and slow, with applications being processed by mail and an inadequate number of outlets.¹⁰²

4.145 In another submission, it was suggested that administration procedures were 'flawed'. According to one respondent, this was manifest in long queues at Australia House in London, long delays if applications were made by mail, high fee costs, administrative pressures on staff with heavy workloads in terms of issue of visas and checking compliance with conditions.¹⁰³

4.146 Another concern related to the non-refundable application fee, which currently is \$145. The Youth Hostels Association of New South Wales and the New South Wales Backpacker Operators Association submitted that this fee is a disincentive to some people.¹⁰⁴

4.147 Apart from such specific concerns, no broader complaints were received by the Committee. While noting that there are some issues to be addressed regarding the requirements which working holiday makers must satisfy once they have arrived in Australia, Tourism Council Australia reflected

99 Evidence, p. S280.

100 Evidence, p. S387.

101 Evidence, p. M15.

102 Evidence, p. S89.

103 Evidence, p. S112.

104 Evidence, p. S221 and p. M186.

the general view of respondents by suggesting that the overall administrative arrangements do not present any significant difficulties. It stated:

The efficiency and effectiveness of the scheme is such that we have not received any specific complaints, but there have been some concerns regarding the Medicare levy and superannuation payments, because there is no call on those, and they leave the country without having received any of the benefits of their superannuation, despite the fact that companies are required to pay in relation to superannuation.¹⁰⁵

4.148 The requirements which apply to working holiday makers during their stay in Australia are discussed in detail in Chapter Five.

Awareness of the program

4.149 While there were only a few complaints about the administrative arrangements for the working holiday program, a number of respondents suggested that greater effort should be directed to increasing awareness of the program, particularly among young Australians. With existing statistics showing that almost double the number of working holiday makers come to Australia compared with the number of Australians who travel overseas for a working holiday, a common view put to the Committee was that greater awareness of the program is required if Australia is to gain maximum value from the reciprocal benefits it offers.

4.150 According to the Youth Hostels Association of New South Wales, most people learn about the working holiday program by word of mouth. It noted that, apart from the efforts of youth oriented organisations such as the Youth Hostels Association, there is very little coordinated promotion of the program either in Australia or overseas.¹⁰⁶

4.151 While the working holiday program is not promoted actively in overseas countries by Australian embassies and consulates, material provided to the Committee indicated that there is a growing network of information about working holidays in Australia. Backpacker magazines, publications such as *Lonely Planet* and, more recently, organisations which provide an information and coordination service for young travellers, have been disseminating in overseas countries, particularly agreement countries, information about the Australian working holiday program. By contrast, the Committee was not provided with any specific evidence to show that a similar level of information and support is available to encourage young Australians to pursue working holidays overseas.

105 Evidence, p. M33.

106 Evidence, p. S219.

4.152 Indeed, a number of respondents argued that there is little available information or even awareness about the working holiday program among young Australians. As noted by one respondent from Cairns, who had been a working holiday maker in Japan:

... the average Joe Blow does not even know about it.¹⁰⁷

4.153 To address the imbalance between the number of working holiday makers coming to Australia and the number of Australians undertaking working holidays overseas, it was suggested to the Committee that a promotion and public awareness campaign should be arranged. According to the Youth Hostels Association of New South Wales, such a campaign should have a dual focus. It should seek to overcome misunderstandings about the impact of working holiday makers on the Australian labour market and also should aim to increase the number of Australians taking part in working holidays overseas. The Association also suggested that an awareness campaign should be supported by research into the benefits of the working holiday program. It stated:

New research should be undertaken to increase knowledge of the impact of the program. In particular this should examine the profile of Australians going overseas as WHMs—how does it affect their educational and career standing on their return to Australia, what cultural benefits do they achieve and are any long standing economic and business links forged during their travels.¹⁰⁸

4.154 The Commonwealth agencies with a particular interest in the program, namely DIMA, DFAT, DEETYA and DIST, all recognised that increased promotion of working holiday opportunities to young Australians would enhance the reciprocal nature of the working holiday program. However, there was some debate during the inquiry about which Commonwealth agencies should have a role in such promotion.

4.155 DFAT suggested that the various Commonwealth agencies involved with the program, including DFAT itself, should place greater emphasis on promotion of working holiday opportunities to young Australians.¹⁰⁹ One specific suggestion from DFAT was to advertise the program in Australian universities and schools.¹¹⁰

4.156 DEETYA indicated that, as part of the youth affairs section of its portfolio, there may be some role which it could play in raising awareness of overseas working holiday opportunities among young Australians. For example,

107 Evidence, p. M449.

108 Evidence, p. S222.

109 Evidence, p. M491.

110 Evidence, p. M492.

DEETYA suggested that it could include information on the program at a web site it is setting up for young people.¹¹¹

4.157 In supporting the need for greater promotion of the reciprocal working holiday rights available to Australians, DIMA indicated that this was not part of its portfolio responsibility, as its principal concern rested with the entry of working holiday makers to Australia.¹¹²

4.158 One suggestion was that it may be appropriate to encourage the missions of arrangement countries to become more extensively involved in the promotion of working holiday opportunities available to Australians.

4.159 At the same time, DIMA indicated that, because of the growing popularity of Australia's working holiday program overseas, greater effort in promoting the program in overseas countries was not required. A representative of DIMA stated:

The fact that we have in excess of what the cap has currently set, in terms of the pipeline and demand, I think perhaps makes an argument for there not to be any need to publicise the working holiday maker scheme.¹¹³

Conclusions

4.160 It is evident from the statistics, which show increasing demand for working holiday visas to Australia, that knowledge of and interest in the program are increasing overseas without the need for significant promotion by Australian government representatives. By contrast, the much lower number of Australians travelling overseas as working holiday makers suggests that Australian youth is not as aware of the program and its benefits as it could be.

4.161 The value of the working holiday program to Australia will be maximised only if young Australians gain a better appreciation of the opportunities for personal development, cultural appreciation and skills enhancement which the program offers.

4.162 Given the current high level of youth unemployment in Australia, it is surprising that overseas working holiday opportunities are not promoted and encouraged more actively as a means of developing skills and acquiring experience which could be useful in the pursuit of future careers. A more strategic approach is required to improve awareness of the working holiday program among Australian youth, leading to greater involvement by Australians in the program.

111 Evidence, p. M779.

112 Evidence, p. M504.

113 Evidence, p. M762.

Recommendations

4.163 **The Committee recommends that:**

- 17. a broadly based working party be established to develop strategies for promoting awareness of the opportunities available to Australians for working holidays in other countries;**
- 18. in developing strategies to increase awareness of overseas working holiday opportunities for Australians, the working party identify and seek to address the nature and source of any obstacles which deter Australians from making greater use of such working holiday opportunities; and**
- 19. as part of any strategy to increase awareness among Australians of working holiday opportunities overseas, relevant information be made available on an appropriate web site of the Internet.**

Chapter Five

Working holiday conditions

Introduction

5.1 After assessing the scope of the working holiday program, the Committee's next task was to consider the conditions and requirements which working holiday makers must abide by during their stay in Australia. As noted in Chapter One, concern about compliance with visa conditions by working holiday makers was one of the factors which led to the establishment of the Committee's inquiry.

5.2 As detailed in Chapter Two, the existing conditions attaching to a working holiday visa establish how long working holiday makers may remain in Australia, how long they may work, the extent to which they have access to community services, such as health care, and their taxation obligations in relation to money earned in Australia. Each of these issues was raised during the inquiry and is discussed in this chapter.

5.3 The existing visa conditions are intended to reflect the main purpose of the working holiday visa—to allow for an extended holiday in Australia with work being incidental to that holiday. Apart from considering the community's views on whether the existing visa conditions are appropriate, the Committee also was interested in determining the extent to which the main intention of the program is being adhered to by working holiday makers.

Visa duration

5.4 As outlined in Chapter Two, working holiday makers may stay for a maximum of 12 months in total from their date of entry to Australia. While they cannot apply for an extension of their visas beyond a maximum of 12 months, they may apply to remain longer than 12 months on other classes of visa.¹

5.5 In its report on Australia's visa system for visitors, the Committee of the 37th Parliament recommended that the maximum stay for a working holiday maker be extended to 15 months, involving up to nine months' employment and six months' holiday.² During the current Committee's inquiry, a range of views was presented on the appropriateness of extending the maximum time limit.

1 Evidence, p. S319.

2 *Australia's Visa System for Visitors*, op. cit., p. 214.

5.6 Various respondents advocated a longer maximum stay for working holiday makers, with suggested periods ranging from 15 months to two years. It was argued that a longer stay would enable working holiday makers to travel more widely, thereby gaining a greater appreciation of Australia and ensuring that the benefits of the program are delivered to a broad section of the Australian community. In this regard, the Youth Hostels Association of New South Wales stated:

Due to the enormous distances in Australia and the range of natural and cultural experiences available to these adventurous travellers there is evidence to support a longer 18 month visa. Backpacker research has shown that people miss out on visiting places like Tasmania because of time restraints although they would have liked to have gone there.³

5.7 A similar view was expressed by TNT Magazine Australia, which is a magazine for backpackers. In support of a two year maximum stay, it commented:

This will give backpackers sufficient time to travel and work more widely throughout Australia. This flexibility will benefit regional Australia particularly as backpackers will be more inclined to spread their wings and leave the larger cities and traditional backpacker trails with the security of knowing they have the time to legally pick up work along the way.⁴

5.8 Support for a two year visa period also was provided in a submission from The Visitoz Scheme, which is an organisation that assists working holiday makers to find work in the agricultural sector. The organisation argued that a two year limit would allow a working holiday to be taken in two or more parts. In its view, this would increase the flexibility of the program by allowing young people to take several shorter visits. It also would mean that those who have to cut their visit short because of reasons other than death in the family or illness would have the opportunity to return to Australia.⁵

5.9 Survey information provided to the Committee suggested that among working holiday makers there also is support for a longer visa period. Ms Jill Murphy noted that two-thirds of respondents to her 1995 survey of 438 working holiday makers indicated that a year-long visa was not enough.⁶ In her submission to the Committee, Ms Murphy argued that an increase in the length of stay could be supported on equity grounds, given that most Australian

3 Evidence, p. S219.

4 Evidence, p. S69.

5 Evidence, p. S61.

6 Evidence, p. S266.

working holiday makers go to the United Kingdom where they are able to stay for two years.⁷

5.10 From a similar perspective, the Australian Youth Hostels Association argued that the working holiday visa period should be increased on a reciprocal basis. In its view, a longer visa period should be available to nationals of agreement countries where those countries allow Australian working holiday makers to stay for equivalent periods of time.⁸

5.11 In contrast to the proposals for extending the visa period, DIMA, DFAT and DEETYA argued in favour of retaining the 12 month limit.⁹ Reflecting the views of those agencies, DIMA indicated that, because of concerns about the impact of working holiday makers on the domestic labour market, which led to the capping of the program, it would be difficult to support a longer visa period which would provide working holiday makers with access to the labour market for a longer period of time. DIMA also argued that 12 months generally seems to be a satisfactory length of time for what essentially is intended to be a holiday.¹⁰

5.12 Another consideration in determining whether it would be appropriate to allow a longer period of stay is the propensity of working holiday makers to overstay their visas and remain in Australia beyond their legal limit. One concern is that if working holiday makers are allowed to stay longer in Australia, say for up to two years, they may develop more significant connections in Australia and be reluctant to leave. In this regard, DIMA noted that working holiday makers currently have a higher overstay rate than people with visitor visas.¹¹ As at July 1996, the overstay rate for working holiday makers was 0.5 per cent.¹² By contrast, the average overstay rate for people with visitor visas was 0.1 per cent in December 1995.¹³

Conclusions

5.13 As the major intention of the working holiday program is to allow for an extended holiday in Australia, with work being incidental to the holiday, a 12 month working holiday visa is appropriate.

7 Evidence, p. S266.

8 Evidence, pp. S151-S152.

9 Evidence, p. M765 and p. M777.

10 Evidence, p. S322.

11 Evidence, pp. S331-S332 and pp. S344-S345.

12 Evidence, p. S345.

13 Evidence, p. S344.

5.14 A longer visa period could give greater prominence to the work component of the program, as working holiday makers would need additional funds to support their longer stay. This would increase the potential for working holiday makers to affect the job prospects of Australians, as the overall time during which they can work would be extended.

5.15 A longer visa period does not accord with the Committee's support for a managed program based on an annual visa limit. It would introduce complexities in determining the annual limit.

5.16 Increasing the visa period would impact on health checks which are required for temporary residents who stay beyond 12 months. The costs involved in extending the health checks to working holiday makers would be significant.

5.17 As the majority of working holiday makers leave Australia within ten months, existing practice does not indicate demand for additional time in Australia.

5.18 A longer visa period will enable working holiday makers to become more closely attached to and settled in Australia. This could make them reluctant to leave at the end of the visa period. The higher overstay rate for working holiday makers when compared with visitors is an indication of the difficulties which could arise if an even longer period of stay were allowed.

Recommendation

5.19 **The Committee recommends that:**

20. the working holiday visa continue to allow holders of the visa to stay in Australia as working holiday makers for a maximum of 12 months.

The work condition

5.20 As noted in Chapter Two, one of the primary conditions applying to working holiday makers is that they must not work for any one employer for more than three months unless written permission is obtained from DIMA. The work condition is meant to reinforce the intention that employment should be incidental to the holiday. It is supposed to ensure that work obtained by working holiday makers is not of such a nature or duration that it creates expectations of permanent employment or affects unemployed Australians.¹⁴

5.21 While the intention is that work should be incidental to the holiday, there is no legislative provision which prevents working holiday makers from working throughout the duration of their stay, as long as they do not work for

14 Evidence, p. S323.

the same employer for more than three months. If working holiday makers work for a majority or all of their stay without contravening the three month rule, they may be acting contrary to the spirit of the working holiday program, but they would not be breaching the legal requirements of the program.

5.22 Next to the cap on program numbers, the work condition attracted most attention during the inquiry. In the following section of the report, the Committee considers the diversity of views on this controversial aspect of the working holiday program.

Appropriateness of the work limit

5.23 Differing views were presented to the Committee on the appropriateness of the existing three month work limit with the one employer. While some argued for retention of the existing limit, others suggested a more flexible approach.

Retaining the work limit

5.24 Those who supported the existing work condition argued that it appropriately reflects the original intention of the working holiday program. It was suggested that extending the work limit would alter the essential focus of the program by giving greater prominence to its work component. On the basis of her study of the labour market impact of working holiday makers, Ms Jill Murphy commented:

Clearly it would be in the interests of both employers and WHMs to maximise the allowable work period. However, in light of the objective of the WHM scheme, which is for young people to travel here for a holiday and to supplement their funds through incidental employment, a short-term work limit is seen as necessary to ensure that this objective is being met. ... [M]any employers, particularly of Japanese WHMs, are lobbying for the three month limit to be extended. However, the purpose of the scheme is not for employers to find a long-term source of employment through WHMs. To fill long-term positions, employers are expected to look to either locals (and if necessary, encourage training of local labour) or through the skilled [temporary residence program] if there is a shortage of local labour.¹⁵

5.25 This view was supported by the ACTU. It suggested that an extension of the three month limit with the one employer would undermine the basis of the program.¹⁶

15 Evidence, p. S268.

16 Evidence, p. S407.

5.26 From a similar perspective, DIMA indicated that the three month work limit assists in ensuring that the work is of a casual or temporary nature. It suggested that allowing working holiday makers to work for the same employer for more than three months could have an adverse impact on the job prospects of Australians, as it would enable working holiday makers to take up longer term jobs in place of locals. DIMA also indicated that, in the minds of working holiday makers, a longer work period may give rise to expectations of being able to stay in Australia for longer periods or even permanently.¹⁷

5.27 DEETYA agreed that extending the work limit with the one employer would suggest that the jobs were of a more permanent nature. In its view, such longer term jobs should be filled either by Australians or, if some specialist skills or expertise from overseas were required, through employer-sponsored or permanent entry schemes.¹⁸

5.28 DEETYA also indicated that the existing limit is adequate for one of the main employers of working holiday makers, namely the horticultural industry. DEETYA noted that, on average, employees in that industry remain for 8.5 weeks, which would be accommodated within the existing parameters of the working holiday program.¹⁹

5.29 The adequacy of the existing three month work limit for the horticultural industry was confirmed by the Riverina Area Consultative Committee, which indicated that the limit is consistent with the needs of seasonal employment. It noted that any one harvest period usually does not extend beyond that time. The Consultative Committee commented:

There are sufficient variations in harvest times for crops across the region, enabling people to travel from one centre to another to seek employment.²⁰

5.30 From a tourism perspective, the ATC also supported retention of the existing work limit. The ATC suggested that it is complementary to the promotion of Australia as it encourages working holiday makers to move around and work in different localities.²¹

17 Evidence, p. S323.

18 Evidence, p. M766.

19 Evidence, p. M766.

20 Evidence, p. S174.

21 Evidence, p. M21.

Extending the work limit

5.31 By contrast, some respondents argued that the existing work limit is unnecessarily restrictive and inflexible. It was suggested that a six month limit with the one employer would be more appropriate, as this would provide greater flexibility for employers, particularly in the tourism industry, to meet peak seasonal demand.²²

5.32 ACCI argued that the existing work condition requires those employers who rely on working holiday makers to fill casual or temporary vacancies to train new staff every three months. It was suggested that this creates costs for employers because, in some instances, it will take up to a month to train a working holiday maker to do the job, leaving only two months of gainful employment.²³

5.33 The Australian Youth Hostels Association argued for greater flexibility in the work condition, noting that this would be of benefit to employers seeking to fill casual or temporary jobs which may last for slightly longer than three months. It commented:

With respect to visa condition number 8108, namely a three month limit per employer in Australia, there are times when the Working Holiday Maker is the best available worker for a 4 or 5 month period. For example, the Queensland [Youth Hostels Association] has a policy of hiring local Australians to staff their [Youth Hostel Association] Hostels. An exception was the temporary hire of a Japanese staff member at the hostel in Cairns in the peak (mid-year) season for three months. They were a great benefit, and generated a significant increase in travel sales to the Japanese backpackers, and added a unique quality to the Youth Hostel's atmosphere. There just isn't any choice to vary the length of temporary employment to 15 or 20 weeks, should the visitor volume last longer, in the current visa conditions.²⁴

5.34 Tourism Council Australia suggested that a preferable system would be to allow one six month placement with an employer. In its opinion, this would assist the tourism industry to meet seasonal demand for casual labour.²⁵

5.35 It was argued that because tour companies are unable to find sufficient numbers of Australians with adequate foreign language skills who are willing to undertake tour guide work, such companies are reliant on working holiday makers during peak times. According to Tourism Council Australia, the three month work rule places an additional burden on such employers, because

22 Evidence, p. S287 and p. M36.

23 Evidence, pp. S286-S287.

24 Evidence, p. S152.

25 Evidence, p. M36.

every three months they have to engage new working holiday makers, which incurs both training costs and lost productivity.²⁶

5.36 The issue of tour guides was particularly sensitive, with contrasting evidence to that of the tourism industry being presented by Australians who argued that they are overlooked because of the ease with which employers can employ working holiday makers. The tour guide issue is considered in detail in Chapter Six.

5.37 A further argument in support of adjusting the existing work limit was that agreement countries generally do not impose a similar restriction on Australian working holiday makers. In Canada, for example, Australian working holiday makers can work for the full 12 months, while in the United Kingdom they can work for half the total permitted stay of 24 months.²⁷

Compliance with the work condition

5.38 In assessing the existing work condition, another important consideration for the Committee was the extent to which working holiday makers are complying with that condition. The Committee was particularly interested in the measures which are available to enforce compliance with the work condition and the effectiveness of those measures.

General compliance

5.39 DIMA indicated that generally there is a high level of compliance with working holiday visa requirements, including the work condition. It commented:

... the working holiday maker scheme generally is not abused.²⁸

5.40 DIMA suggested that the main abuse of the working holiday conditions is limited to specific practices in particular regions. It commented:

Mostly evidence that is coming forward about abuse is regional or local. If you try to extrapolate that information into a general conclusion that there are high levels of abuse right throughout the working holiday maker ... scheme ... there is just no evidence that suggests that.²⁹

26 Evidence, p. M36.

27 Evidence, p. S323.

28 Evidence, p. M774.

29 Evidence, p. M771.

5.41 In DIMA's view, an important factor which restricts the opportunities for people to circumvent the working holiday conditions, particularly the work condition, is the restricted time which working holiday makers spend in Australia. DIMA commented:

Most of the working holiday makers, on the basis of our information, leave within 10 months. They are not here for the full 12 months. They have left, they have packed up and they have gone. So there is just no evidence at all that suggests high levels of abuse other than potentially in some local areas.³⁰

5.42 While noting the general level of compliance within the working holiday program, DIMA conceded that problems will arise from time to time if people are intent on breaching the conditions of the visa. A representative of DIMA noted:

... I guess we are always going to see some element of abuse, of people looking for ways in which they can secure longer periods of employment. It does not matter whether you are talking about backpackers, working holiday makers or tourists, there is usually some element of abuse of the visa conditions.³¹

5.43 According to DIMA, issues arising from time to time include specific allegations of working holiday makers not complying with visa conditions, relatively high overstay rates, and allegations of tax avoidance and exploitation of working holiday makers.³² DIMA noted that such matters are brought to its attention through individual complaints.³³

5.44 Other evidence to the Committee suggested that there is a problem with backpackers who are on visitor visas and who undertake work illegally because they are mistaken for or pretend to be working holiday makers. In this regard, DEETYA commented:

Anecdotal evidence strongly suggests that some backpackers on tourist visas may also gain employment, even though they are legally not entitled to do so. In fact, there is considerable confusion in the media where the terms 'working holiday makers' and 'backpackers' are used interchangeably.³⁴

5.45 As noted in Chapter Three, DEETYA indicated that the labour market impact of backpackers who work without an entitlement could be considerable.³⁵

30 Evidence, p. M771.

31 Evidence, p. M767.

32 Evidence, p. S331.

33 Evidence, p. M770.

34 Evidence, p. S260.

35 Evidence, p. S260.

5.46 While abuse of the working holiday scheme appears to centre around the work condition, there also was some evidence that employers exploit working holiday makers by paying them under-award wages. The Committee of the 37th Parliament, in its report on Australia's visa system for visitors, expressed concern about allegations that some employers exploit the working holiday arrangements either by using the scheme as a form of contract labour or by paying under-award wages to working holiday makers. It noted that when this occurs there can be adverse consequences for the local labour market.³⁶

5.47 Similar concerns were raised by the ACTU in its submission to the current Committee's inquiry. In particular, the ACTU noted that working holiday makers generally are employed in those industry sectors which have some of the highest rates of non-compliance with award conditions. The ACTU, however, noted that the lack of detailed statistics and research on compliance makes it difficult to quantify the extent of these problems.³⁷

5.48 In this regard, DIMA referred to advice it received from State and Commonwealth Departments of Industrial Relations, which indicated that there was no empirical evidence of exploitation of working holiday makers, but that from time to time there were claims that some backpackers were working for under-award rates.³⁸ This advice was supplemented by direct evidence to the Committee. The Northern Victoria Fruitgrowers' Association referred to approaches that it and the Australian Workers' Union had found necessary to make to a grower who was paying under-award rates.³⁹ The Riverina Area Consultative Committee noted that some growers occasionally paid under-award rates. However, it indicated that working holiday makers were not necessarily singled out for this treatment, as those growers treated all itinerant workers in the same way.⁴⁰

5.49 According to DIMA, the best way to deal with such problems is to encourage voluntary compliance through initiatives such as its employer awareness campaign. DIMA commented:

Strict enforcement is neither feasible nor economical. DIMA's focus is to create an atmosphere of good community relations through the provision of relevant information, especially through the Employer Awareness Campaign, which is generally regarded as working well.⁴¹

36 *Australia's Visa System for Visitors*, op. cit., p. 213.

37 Evidence, pp. S405-S406.

38 Evidence, p. S336.

39 Evidence, p. M646.

40 Evidence, p. S176.

41 Evidence, p. S331.

5.50 Commenting on the effectiveness of its employer awareness campaign, DIMA indicated that it has contributed to increased awareness among employers of the need to ensure compliance with visa conditions, particularly the work condition. DIMA commented:

Our compliance efforts, our direct compliance activity in the field, has remained reasonably static ... so something else is working, and we believe it is employer awareness ... [employers] are paying far more attention to the right of a person to engage in employment in Australia than they were three years ago before this thing started.⁴²

5.51 DIMA suggested that the approach it has adopted is practical and cost-effective compared with the alternative of more direct compliance activity. It concluded:

... the costs of active pursuit of compliance and the consequent additional burdens on industry are not justified and that the present emphasis on voluntary compliance through increased employer and community awareness is appropriate, especially in terms of the economic objectives of the WHM programme.⁴³

5.52 At the same time, DIMA indicated that, if there are concerns that voluntary compliance is not working in relation to particular industries or regions, then it would be preferable to consider employer sanctions rather than increased compliance activity. In this regard, the Deputy Secretary of DIMA stated:

You do not beef up my resources and say, 'Have 20 more people and go and monitor it,' you probably sanction the people who are doing it and say, 'It did not work voluntarily, let's move it to another basis. If you have a working holiday maker work for you for more than X months, you may be fined \$X,' or something like that. That would be far more effective than giving me resources and saying, 'You should be walking into his premises and looking more closely at whether he has got working holiday makers who are going over the three months'.⁴⁴

5.53 While not advocating increased compliance activity in relation to working holiday makers, the Deputy Secretary of DIMA indicated that greater investigatory powers could assist DIMA to follow up on intelligence which it receives concerning breaches of working holiday visa conditions. The Deputy Secretary stated:

42 Evidence, p. M773.

43 Evidence, p. S332.

44 Evidence, p. M772.

I would like more powers to pursue that intelligence sometimes, to be able to look at an employer who we believe may have an employee in their employ who is breaching the conditions of their visa.⁴⁵

5.54 Commenting on the limitations of the existing powers available to DIMA, its Deputy Secretary stated:

... in terms of compliance of the existing scheme, we cannot work without the cooperation of the employers. If an employer is happy with us coming into their place of employment and reviewing their employment practice, that is fine. If they are not happy with us going in there, the only reason we can enter an employer's premises and do something is if we believe, or if we have reasonable suspicion, that there is an unlawful non-citizen there. So, if you want to keep the department out, it is not impossible.⁴⁶

Circumventing the work condition

5.55 Alongside the evidence the Committee received regarding general compliance with the work requirements of the working holiday program, some specific concerns were expressed to the Committee about working holiday makers who circumvent the work condition by transferring between associated or affiliated companies in order to extend their three month work limit with the one employer. As noted in one submission:

Although one of the conditions of the working holiday visa system is a limit of three months in one company, this is very easily avoided by transferring the 'holiday maker' to a subsidiary company after every three months.⁴⁷

5.56 The use of subsidiary companies in circumventing the work condition was identified as a particular problem within the tourism industry. One respondent commented:

Every tourist company has a network of suppliers or subsidiary companies. [Working holiday makers] can continue to do exactly the same job full time by just re-registering themselves with one of those companies. The company arranges all this when the three months are up. These guest workers can work full time up to twelve months effectively on the same job.⁴⁸

5.57 It was suggested that the problem is particularly evident in Queensland, where companies are circumventing the work condition in order to employ Japanese working holiday makers as tour guides for extended periods of time, to a maximum of 12 months. One respondent stated:

45 Evidence, p. M770.

46 Evidence, p. M517.

47 Evidence, p. S248.

48 Evidence, p. S249.

I personally know of four companies in Cairns doing this at present.⁴⁹

5.58 Some evidence was received which suggested that some working holiday makers even have pre-arranged itineraries focusing on work rather than holiday. In this regard reference was made to a 1994 study by Martin Bell and Rick Carr on Japanese temporary residents in the Cairns tourism industry. In that study, Bell and Carr noted:

In the case of WHMs, [Department of Immigration and Ethnic Affairs] sources point to a growing practice of multi-locational enterprises, such as duty-free stores, pre-arranging itineraries and work contracts. Such practices clearly border on contract labour immigration.⁵⁰

5.59 On this issue, DIMA advised that it had investigated allegations about abuse of immigration laws by Japanese tour operators in the Cairns area. According to DIMA, that investigation found, amongst other things, that some working holiday makers employed by a small number of tour companies avoided the three month work restriction by transferring their employment to sub-contractors of the companies after three months.⁵¹

5.60 To overcome this problem, DIMA indicated in its submission dated 20 August 1996 that:

The Minister for Immigration and Multicultural Affairs has since approved an amendment to the work condition (clause 8108 of Schedule 8 of the Migration Regulations) for the November 1996 round of changes to the Migration Regulations to prevent the 3-month limit on employment with the one employer being circumvented. The condition is to be amended to prevent practices where periods of employment with the one employer (or arranged through an employment agency) are extended beyond 3 months through the use of business subsidiaries, including sub-contractors of the employer, or through other employment agencies.⁵²

5.61 Subsequent to DIMA's submission, the Minister wrote to the Committee on 16 September 1996 about difficulties which had arisen in relation to the proposed amendment to the work condition. The Minister noted that legal advice he had received had indicated that the draft of the proposed amendment would require a level of precision which would result in the work condition having a far wider application than was intended. The Minister advised that an amendment along the lines proposed would mean, for example, that a working holiday maker could not work for a major retail company in Cairns for two months and then work for the same retail company in Perth for another two months. According to the Minister, this was not the sort of situation which the

49 Evidence, p. S423.

50 Bell and Carr, *op. cit.*, p. 96.

51 Evidence, p. S323.

52 Evidence, p. S323.

amendment aimed to prevent. The Minister indicated that, on this basis, he had agreed to the interim retention of the existing work condition, with further options to be explored on how to deal with the problem of working holiday makers circumventing the three month work limit.

5.62 In evidence to the Committee, DIMA explained in further detail the complexities involved with amending the work condition to prevent employers and working holiday makers circumventing the existing requirement. The Deputy Secretary of DIMA stated:

... it is not as simple as saying, 'Let's ban the employment of working holiday makers in associated companies.' Firstly, you have to get into commercial law and define 'associated companies' and get that definition to the breadth that these companies are associated. If you go through these companies' shareholdings and work out how you have got to define them as associated, as I say, you start getting into supplier relationships as being associated, you start getting into customer relationships being associated, and you crack a far bigger nut than the one you are seeking to crack.⁵³

5.63 Confirming the advice of the Minister on the legal complexities involved in drafting an appropriate amendment to the work condition, DIMA commented:

We have gone to the point of requesting legal drafting. That work was stopped on the basis of the drafters telling us that the definition of 'affiliates and subsidiaries' would have significant unintended consequences for the scheme.⁵⁴

5.64 When questioning DIMA on this issue, the Committee asked whether one solution could be to amend the work condition so that working holiday makers would be restricted to working a maximum of three months in the one region of Australia. In response, DIMA indicated that there would be problems in defining what constitutes a region. The Deputy Secretary of DIMA stated:

When you get into it, you have got to look at whether you are going to regard Cairns and Townsville as one region or separate regions—or even whether you are going to regard Port Douglas and Cairns as being in the same region or separate regions. ... Would you, as a regional approach, ban someone from working at the Holiday Inn at Coojee as No. 1, a market garden in Sydney as No. 2 and as a retailer as No. 3 in a year-long holiday based around the Sydney region? Is that an abuse of the working holiday maker scheme? I would say that it is not.⁵⁵

53 Evidence, p. M512.

54 Evidence, p. M512.

55 Evidence, p. M509.

5.65 DIMA also indicated that it would be difficult to ensure compliance with a work condition based on the concept of region, given that there are no internal controls on the movement of people in Australia. DIMA commented:

... if we put a regional approach in and say that you cannot work only in one region and that you must have multi-regional holidays, the second issue obviously has got to be the monitoring of it—and we are not internal monitors.⁵⁶

5.66 Instead, DIMA noted that it was examining whether the problem of people circumventing the work condition could be addressed through ministerial direction. Explaining the effect of ministerial directions, DIMA stated:

Directions are made under the Migration Act and they give policy guidance to decision makers. ... They do not have the force of law; however, decision makers are bound under the Act to have regard to what the Minister has said in those directions, in determining whether a condition has been met or a criterion for a visa has been met.⁵⁷

5.67 DIMA also advised that it is continuing to address difficulties with the work condition through its employer awareness campaign, as noted at paragraph 5.49. It commented:

Certainly, the major thing that we continue with is attempting through the Employer Awareness Campaign to get employers themselves to address it voluntarily.⁵⁸

Conclusions

5.68 The work condition, which prevents working holiday makers from working for the one employer for more than three months, is critical in ensuring that the focus of the working holiday program remains directed at the holiday component and not the work component. Moving beyond the three month limit would change the intent of the program away from incidental work supplementing a holiday and would establish a more permanent work relationship, to the detriment of Australians seeking jobs.

5.69 Given Australia's current level of unemployment, particularly among young people, the Committee was disturbed by suggestions from industry and employer groups that the work limit should be extended so that maximum value could be obtained from the training and employment of working holiday makers. It is precisely because of such suggestions that the Committee is opposed to the extension of the three month work limit.

56 Evidence, p. M509.

57 Evidence, p. M513.

58 Evidence, p. M513.

5.70 If longer term jobs are available, even if they are of a temporary or casual nature, and if those jobs involve training provided by employers, then the priority should be to ensure that Australians have access to those jobs. Seeking an extension of the working holiday arrangements in such circumstances is a short-sighted response to a labour market need. Above all, the Committee wishes to avoid the possibility that an extension of the work condition would lead to the working holiday program being used as a form of guest labour.

5.71 Opportunities already exist for employers to extend the work period of working holiday makers in appropriate circumstances. The work condition provides for such extensions of time where written permission is obtained from DIMA.

5.72 Similarly, there are proper temporary residence processes which can be used to bring in specialised labour where a need is identified. It is those processes which should be used instead of seeking to alter the essential nature of the working holiday program.

5.73 As for the problem of employers and working holiday makers circumventing the work condition through the use of affiliated and associated companies, this practice needs to be addressed in order to ensure that the integrity of the working holiday program is not compromised. In the Committee's view, there is no real difficulty if working holiday makers move around Australia and take up casual employment with, for example, the same retail chain in different localities. The Committee's concern is with situations where prior arrangements are made which by their nature guarantee that particular positions will be reserved for working holiday makers or, alternatively, allow working holiday makers to work with associated companies for the duration of their visit.

5.74 The Committee also is concerned that some backpackers on visitor visas are able to undertake work either because they are mistaken for or pretend to be working holiday makers. As noted earlier in the report, while there is a lack of statistical evidence on the extent to which this occurs, there is sufficient anecdotal evidence to indicate that this practice exists.

5.75 Given that the circumvention and breach of visa conditions can affect the job prospects of Australians, a stronger stand needs to be taken to ensure that employers and those entering Australia temporarily, be they working holiday makers or backpackers on visitor visas, are given an appropriate signal about the seriousness with which these matters are viewed.

5.76 The emphasis on voluntary compliance, through DIMA's employer awareness campaign and even through the issuing of more definitive policy statements, will address some of the work related problems of the working holiday program. Voluntary compliance, however, needs to be supported by more substantive measures which can be used to deal with employers who consistently breach relevant conditions.

5.77 From the Committee's own experience when visiting regional areas such as Cairns, where the Committee's conduct of a hearing created some anxiety among certain employers, it is evident that a more rigorous compliance response is required from DIMA. The compliance presence needs to be visible in industries and regions where difficulties are being experienced.

5.78 In this regard, the Committee notes that, following the Committee's visit to the Cairns region, a tour guide reported that there appeared to be a change of focus among certain tour operators, with greater opportunities opening up for Australian tour guides instead of working holiday makers. While this was only one anecdotal example, it suggests that a more rigorous compliance approach in some of these problem areas may yield some positive results.

Recommendations

5.79 **The Committee recommends that:**

21. **the existing work condition attaching to a working holiday visa be retained so that working holiday makers are not permitted to work with any one employer for more than three months unless written permission is obtained from the Department of Immigration and Multicultural Affairs;**⁵⁹
22. **the Department of Immigration and Multicultural Affairs continue to promote employer awareness of working holiday visa requirements, particularly the work condition, targeting employers in those regional areas which are popular destinations for working holiday makers and backpackers on visitor visas;**
23. **the Department of Immigration and Multicultural Affairs monitor the incidence of backpackers on visitor visas working illegally and working holiday makers breaching the three month limit with the one employer and, where appropriate, launch prosecutions;**
24. **enhanced investigatory powers be made available to the Department of Immigration and Multicultural Affairs to enable it to follow up information which indicates that an employer may be employing holders of visitor visas without work rights or working holiday makers in breach of their visa conditions;**

59 See paragraph 5.73, where the Committee outlines the types of practices which this recommendation should embrace.

25. **significant financial penalties be introduced and imposed on employers who, after being advised of their obligations by the Department of Immigration and Multicultural Affairs, employ backpackers on visitor visas who are not entitled to work or continue to employ working holiday makers for longer than the permissible three month period; and**
26. **ministerial directions be issued which provide that:**
- (a) **when assessing applications for a working holiday visa, immigration officers examine carefully any applications where there is a suspicion that the applicant's main intention in coming to Australia is for employment purposes, or the applicant is party to an arrangement which is intended to ensure, or ensures, that an employment position in Australia has been reserved for the applicant; and**
 - (b) **when assessing applications from working holiday makers for change of status, especially in employment related categories, immigration officers have particular regard to the history of the sponsoring employer's compliance with the work condition of the working holiday visa.**

Health issues

5.80 As noted in Chapter Two, in order to be granted a working holiday visa, applicants must satisfy relevant health requirements. A working holiday visa normally would not be granted where an applicant declares that he/she has tuberculosis or any other serious disease, condition or disability. The health requirement is intended to ensure that temporary entrants, including working holiday makers, do not pose a health risk to the Australian community and do not become a cost to the community because of an existing health problem.

5.81 Applicants for a working holiday visa satisfy the health requirement by completing a health declaration on the application form. They are not required to undergo medical or chest x-ray examinations (as would be required for people staying in Australia beyond 12 months).

5.82 On arrival in Australia, working holiday makers also are required to fill out a passenger card, which includes a question on whether the person has or has ever had tuberculosis. A false declaration either on the original application or on the passenger card will render the person liable to cancellation of the visa.

5.83 The health requirements relating to working holiday makers did not attract significant attention during the inquiry. Some reference was made to the health risks which may arise in relation to working holiday makers and the costs

which may be incurred for the community if working holiday makers gain access to public health services but do not pay for those services.

Health risk

5.84 In its submission, the Australian Government Health Service (AGHS) expressed concern that existing procedures may mean that the health of working holiday makers is not questioned for 24 months. AGHS noted that once a working holiday visa is granted, working holiday makers have up to 12 months before they are required to use the visa. On arrival in Australia, working holiday makers, like other visitors, are only required to answer a question on tuberculosis and not their general health. As a result, by the time they spend 12 months in Australia, it may be 24 months since they were required to make the initial health declaration in the visa application form.⁶⁰

5.85 AGHS noted that, while in Australia, many working holiday makers will work in the hospitality industry, live in hostels and undertake study in classrooms. It indicated that all such activities involve considerable contact with the public. AGHS was concerned about the possible threat to public health if a working holiday maker with a disease is able to enter and stay in Australia either because of the time lag since the original health declaration or if they do not make a correct declaration.⁶¹ On this issue, it commented:

Although visa holders are instructed to inform the Department of Immigration and Multicultural Affairs should their health change before travel to Australia, this virtually never occurs.⁶²

5.86 In its submission, AGHS gave one example to indicate the basis of its concerns. AGHS noted:

For example, very recently, we were informed of a holder of a working holiday visa who declared that he did not have a serious illness. Yet, subsequent documentation presented in Australia by him indicated that, at that time, he had lost 13-kg in weight, was breathless on exertion, was experiencing night sweats, had a cough and chest pain and had consulted a specialist physician within six days of completing the declaration. The individual travelled to Australia some three months later, while receiving antituberculous treatment, and was found after arrival still to be suffering culture-positive tuberculosis. He continued to be infectious for a further two months. The organism is resistant to two of the standard antituberculous drugs. Thus, this young person represented a significant threat to public health in Australia for some months. The case has resulted in the need to trace a 'planeload of passengers'.⁶³

60 Evidence, p. S161.

61 Evidence, p. S162.

62 Evidence, p. S161.

63 Evidence, p. S162.

5.87 AGHS advised that such a situation does not occur frequently. However, it noted that it does illustrate the kind of risk which can be involved. To reduce this risk, AGHS suggested that working holiday visas should be valid only for 12 months from the date of grant. Alternatively, it proposed a full health check if the existing situation is maintained whereby working holiday makers have 12 months to take up the visa and then can stay for a maximum of 12 months.⁶⁴

5.88 In subsequent evidence to the Committee given at a public hearing, AGHS indicated that the case example provided in its submission was not as serious as originally thought. AGHS stated:

... following that submission, the advice from the treating doctor was that the patient had had treatment prior to arrival in Australia and he felt that there was no significant risk of transmission. So no follow-up of other passengers was, in fact, carried out in the end. To our knowledge, there have been no other secondary cases.⁶⁵

5.89 When questioned on the general health risk associated with the entry of working holiday makers given their longer period of stay than normal visitors, AGHS also appeared to resile from the concerns it had expressed in its submission. AGHS commented:

No, we do not have any concerns about that as a policy issue, based on our overall monitoring of disease incidents—it does not lead us to believe that there is any significant transmission of disease from those groups of people. So we do not think it is a health risk. ... From a public health point of view we do not believe there is any evidence of significant disease transmission that would cause us a problem. We believe we need to be vigilant, and to maintain statistical monitoring and watch that. But the current patterns of people coming into the country are not causing any problem.⁶⁶

5.90 AGHS acknowledged, however, that if Australia accepts more working holiday makers from countries with a high incidence of tuberculosis, it may be necessary to review the matter.⁶⁷

5.91 On the health risk issue, DIMA indicated that it did not have any significant concerns in relation to the existing health requirements to be satisfied by working holiday makers. It commented:

Checking the health of working holiday makers is consistent with the health checking of temporary residents.⁶⁸

64 Evidence, p. S162.

65 Evidence, p. M407.

66 Evidence, pp. M398-M399.

67 Evidence, p. M400.

68 Evidence, p. M541.

Debts to the public health system

5.92 A separate concern related to the incidence of debts incurred by visitors, including working holiday makers, when they access Australian public health services. The Commonwealth Department of Health and Family Services noted that there is a growing problem of bad debts in public hospitals as a result of short-term visitors being treated and leaving the country without paying for treatment. The problem arises because public hospitals admit patients on the basis of medical need rather than the ability to pay. Payment is not sought until the treatment is complete and the patient is due for discharge.⁶⁹ Debt to the health care system through failure of visitors to pay bills is estimated at \$5 million annually.⁷⁰

5.93 In this regard, short-term visitors to Australia, including working holiday makers, cannot gain access to Medicare arrangements unless they come from a country with which Australia has a Reciprocal Health Care Agreement. Those countries comprise the United Kingdom, New Zealand, Italy, Malta, Sweden, the Netherlands and Finland.⁷¹

5.94 Working holiday makers from countries which do not have a health care agreement with Australia are liable to pay the full cost of any medical treatment received in Australia. For this reason, working holiday makers are advised that private medical insurance should be taken out unless they are citizens of a country with a reciprocal health care arrangement with Australia. However, medical insurance is not compulsory.⁷²

5.95 The Committee was not provided with any statistical evidence on the extent to which working holiday makers are covered by medical insurance. In one submission from an organisation which finds agricultural work for working holiday makers, it was suggested that many working holiday makers are not covered by insurance when they arrive in Australia.⁷³

5.96 Given the concerns about the rising incidence of bad debt in the public health system generated by visitors to Australia, the Committee questioned the Department of Health and Family Services on whether it should be compulsory for working holiday makers to have medical insurance if they are not covered by a reciprocal health care agreement. The Committee was interested in both the feasibility and cost of such a proposal. In response, the Health Department estimated that the approximate cost of compulsory medical insurance providing traumatic cover for a working holiday maker would be

69 Evidence, p. S201.

70 Evidence, p. M403.

71 Evidence, p. S201.

72 DIMA Form 987i, 'Temporary Residence in Australia, Working holidays'.

73 Evidence, p. M276.

around \$100 to \$200.⁷⁴ Commenting on the proposal, a representative of the Health Department stated:

I think that issue has got a lot of tentacles to it that run out into a lot of areas.⁷⁵

5.97 It was suggested that while compulsory medical insurance for working holiday makers may be appropriate from a health perspective, consideration would need to be given to whether the additional cost would be a disincentive for people to travel to Australia. The Health Department noted that this sort of issue previously has attracted an adverse reaction from the tourism industry.⁷⁶

Conclusions

5.98 While there was no specific statistical evidence to suggest that working holiday makers pose any significant health risk to the Australian community, the Committee shares the concern, as expressed in the Australian Government Health Service's submission to the inquiry, that working holiday makers may not be subject to any detailed health check for a period of 24 months. This concern is relevant because working holiday makers tend to work in hospitality and catering, to live in hostels, and some of them may come from countries with a high incidence of contagious diseases. The concern also is relevant because working holiday makers have the capacity to interrupt their stay in Australia, travel to countries in the region where they may be vulnerable to contagious disease, and then return to Australia.

5.99 The Committee notes that its predecessor, in its report on Australia's visa system for visitors, recommended that a review be conducted of health issues relating to temporary entry to Australia. This Committee endorses that recommendation and awaits the government's response.

5.100 In view of the evidence which suggests that there is a rising incidence of unpaid medical debts by visitors to Australia, including working holiday makers who access the public health system, the Committee considers that the issue of compulsory medical insurance for working holiday makers also should be examined.

74 Evidence, p. M406.

75 Evidence, p. M405.

76 Evidence, pp. M405-M406.

Recommendations

5.101 The Committee recommends that:

27. a review of health issues relevant to temporary entry to Australia, as recommended in the report on Australia's visa system for visitors by the Joint Standing Committee on Migration of the 37th Parliament, be commenced within the next 12 months, with health issues relating to working holiday makers to be part of that review; and
28. the Department of Immigration and Multicultural Affairs, in consultation with relevant Commonwealth agencies and other interested parties, consider requiring working holiday makers to have medical insurance for the duration of their stay in Australia.

Sufficient funds

5.102 As noted in Chapter Two, applicants for a working holiday visa also must demonstrate that they have sufficient funds for a fare to their next intended overseas destination after Australia and for personal support during their stay in Australia. DIMA's Procedures Advice Manual indicates that generally \$3 000, in addition to funds for a return fare, would be sufficient to cover the expenses of the first part of the working holiday for an applicant who intends to stay six months. In this regard, an important consideration is that working holiday makers can earn money while in Australia.⁷⁷

5.103 The Committee was told that funds are checked when a person applies for a working holiday visa but not when they arrive in Australia. One respondent argued that, as a result, many travellers arrive with inadequate funds, which is contrary to the spirit of the scheme.⁷⁸ It was suggested that working holiday makers should have to prove that they have adequate funds on arrival by showing traveller's cheques or cash.⁷⁹

5.104 The Visitoz Scheme argued that the existing arrangements for proving that working holiday makers have sufficient funds are inadequate, particularly in relation to the requirement that they have sufficient funds for the return journey. In its view, a preferable approach would be to require working holiday makers to hold a non-refundable, open return air ticket.⁸⁰

77 DIMA, *Procedures Advice Manual* 3, Schedule 2—Visa 417, 417.216(b)(i) and (ii).

78 Evidence, p. S294.

79 Evidence, p. M160.

80 Evidence, p. S62.

5.105 During public hearings on the inquiry, the Committee sought to determine the extent to which working holiday makers arrive in Australia without adequate funds to support themselves or to continue their journey at the conclusion of their stay in Australia. Apart from some anecdotal examples, no detailed evidence was presented on this issue.

Conclusions

5.106 While a few concerns were expressed to the Committee that some working holiday makers may be arriving in Australia without sufficient funds to support themselves, the Committee was not provided with any concrete evidence to indicate that this is a significant problem. Checking of funds on arrival would result in delays in passenger processing without good reason.

Recommendation

5.107 **The Committee recommends that:**

- 29. the existing practice of checking working holiday makers' funds on lodgment of their applications be retained.**

Taxation obligations

5.108 Working holiday makers are required to pay taxation on money earned in Australia. They are liable to pay tax at the non-resident tax rate of 29 per cent for weekly earnings up to \$397.⁸¹ A higher rate of tax is payable if weekly earnings exceed \$397, although indications were that it would be unlikely that working holiday makers would exceed that amount on a weekly basis.

5.109 Working holiday makers also are liable to have ten per cent of interest earned from bank accounts in Australia withheld for tax. However, they are not liable to pay the Medicare levy. They also are not entitled to claim some tax rebates or credits which are available to residents.⁸²

5.110 During the inquiry, the Committee received some evidence on the appropriateness of the existing tax arrangements applying to working holiday makers. The Committee also was provided with some information on compliance with taxation obligations by working holiday makers.

81 Australian Taxation Office, 'Visiting Australia, A Tax Guide', August 1996.

82 *ibid.*

Tax rate

5.111 In a few submissions, principally from people in the horticultural industry, it was suggested that the existing tax rate of 29 per cent applicable to working holiday makers should be brought into line with the 15 per cent tax rate applicable to itinerant workers. It was argued that the differences in tax rate create confusion among working holiday makers and employers. The Mildura and District Harvest Labour Committee commented:

To make the system work more efficiently it would be advantageous to all the parties if all WHMs were given a 15% flat tax rate status. This would alleviate problems by ensuring all WHMs were on an equal footing with other employees, reducing disputes and problems for our employers.⁸³

5.112 The Northern Victoria Fruitgrowers' Association suggested that taxing working holiday makers at the same rate as seasonal workers would be of economic benefit, as working holiday makers would have more money to spend in Australia. The Association also argued that it would reduce the work associated with processing of tax claims from working holiday makers who can apply for a tax refund once they leave Australia.⁸⁴

5.113 This view was supported by the Riverland Horticultural Council, which argued that the differential tax rate is pointless as working holiday makers can repatriate their tax payment on returning home. The Council commented:

It would make more sense to harmonise the tax rates at 15%, and allow the additional earnings to be spent in the local Australian economy.⁸⁵

Compliance

5.114 While some evidence to the Committee suggested that the differential tax rate between working holiday makers and residents creates confusion, other evidence indicated that some working holiday makers deliberately claim the lower, resident rate.⁸⁶

83 Evidence, p. S82.

84 Evidence, p. S40.

85 Evidence, p. S19.

86 Evidence, p. S294.

5.115 Allegations were made that employment agencies encourage working holiday makers to claim that they are Australian residents for taxation purposes and that such abuse is rampant.⁸⁷ One witness suggested that because there is no tax-free threshold for working holiday makers as non-residents, they feel inclined, or even entitled, to claim as residents.⁸⁸

5.116 The Australian Taxation Office (ATO) reported that, in conjunction with DIMA, it has developed a coordinated approach to non-residents. The ATO now requires evidence of a DIMA authority to work before it will issue a tax file number for employment purposes.⁸⁹ Proof of entitlement to work requires the disclosure of a passport and visa.⁹⁰ The ATO now is able to identify working holiday makers who claim resident status incorrectly, by comparing tax file application details with employment declaration forms.⁹¹

5.117 The ATO conceded that there may be significant numbers of working holiday makers who pay an inappropriate amount of tax by claiming resident status.⁹² It expected that the new coordinated administrative arrangements with DIMA would assist the ATO in enforcing correct taxation payments and restricting employment of non-residents who are not entitled to work.⁹³

5.118 The ATO also flagged its intention to have tax file numbers either issued by DIMA overseas, or awaiting visitors with a legal capacity to work when they arrive.⁹⁴

5.119 The ATO also indicated that there could be improvements in relation to compliance with the 28 day rule which currently applies to the notification of tax file numbers. Under existing requirements, an employee must declare a tax file number to their employer. At present, there is an allowance of 28 days before an employee who is advised of a tax file number must report that number to his or her employer. Where an employee, including a working holiday maker, completes the employment declaration form and confirms that he or she has applied for but has not been notified of a tax file number, it is possible for that employee to claim to be a resident. This enables the employee to be taxed at the lower rate. By the time the tax file number is advised, the employee may have left that employment.⁹⁵

87 Evidence, p. S294, p. S308 and p. M160.

88 Evidence, p. M111.

89 Evidence, p. S348.

90 Evidence, p. M352.

91 Evidence, p. M346.

92 Evidence, p. M348.

93 Evidence, p. S348.

94 Evidence, p. M357.

95 Evidence, p. M352.

Medicare levy

5.120 Another tax related concern expressed in some submissions was that it is unfair to require working holiday makers, who are not eligible for Medicare benefits, to pay the Medicare levy. Those concerns, however, were misguided, given the ATO's advice that non-residents are exempt from the Medicare levy. It is apparent that working holiday makers are only liable to pay the Medicare levy if they lodge a return and incorrectly declare themselves to be residents.⁹⁶

Superannuation guarantee charge

5.121 Some respondents also expressed concern about working holiday makers being required to pay the superannuation guarantee charge. It was suggested that the small amounts involved for each individual would be consumed by the charges imposed by superannuation funds. An alternative option proposed to the Committee was that the money could go to a common fund for the disadvantaged, for example, or to develop the budget tourism market, rather than on fees of a superannuation fund.⁹⁷

5.122 In response, the ATO noted that member protection rights are in effect to ensure that fees paid to a superannuation fund do not exceed investment earnings on the accounts.⁹⁸ The ATO also advised that the guarantee applies to all employers of full-time, part-time and casual employees, including non-residents. Contributions are not required for people who receive less than \$450 per month. The intention in implementing the charge was that all non-resident employees should be included so that labour market distortions would not arise and employers would not be encouraged to employ working holiday makers at the expense of resident workers.⁹⁹

5.123 The ATO also referred to the existence of a process administered by the Insurance and Superannuation Commission for the release of benefits once a working holiday maker has left Australia.¹⁰⁰ It suggested that the process could be highlighted in information provided to working holiday makers, including the information pamphlet already available on tax requirements for people visiting Australia.¹⁰¹

96 Evidence, p. M354.

97 Evidence, pp. S66 and S156.

98 Evidence, p. M355.

99 Evidence, p. M354.

100 Evidence, p. M355.

101 Evidence, p. M356.

5.124 Tourism Council Australia, by contrast, argued that working holiday makers should not be required to claim a refund of the superannuation guarantee charge on leaving the country. The Council suggested that it would be more convenient if they were exempt from the charge on presentation of their visa to the employer.¹⁰²

5.125 Some difficulties associated with the superannuation guarantee charge may be alleviated following implementation in July 1998 of proposed superannuation reforms. In August 1996, the Treasurer announced that the government would allow employees earning between \$450 and \$900 per month the option of choosing between superannuation guarantee contributions or the equivalent in wages and salary.¹⁰³ Where an employee negotiates such an agreement with his or her employer, the employer will be required to pay the employee, in lieu of making superannuation guarantee contributions. This option would appear to provide working holiday makers with greater opportunity to receive and spend the equivalent of their superannuation guarantee contribution while in Australia.

Conclusions

5.126 The Committee was not convinced by arguments for lowering the tax rate for working holiday makers. Any adjustments to tax rates for temporary residents, including working holiday makers, should not be considered in isolation from the general taxation rates applying within the community as a whole.

5.127 The Committee endorses the coordinated approach which the ATO and DIMA are pursuing to ensure that working holiday makers pay the appropriate amount of tax. That approach should take into consideration the short period which working holiday makers tend to spend with employers and the implications this has for circumvention of taxation requirements.

5.128 In order that employers are not encouraged to employ working holiday makers at the expense of residents, the Committee considers that, at this stage, the superannuation guarantee charge should continue to apply in respect of working holiday makers. However, this position should be considered in light of the general reforms to superannuation announced in August 1996 and proposed for implementation in July 1998.

5.129 In the meantime, information on the release of superannuation benefits should be made more readily available to working holiday makers.

102 Evidence, p. S355.

103 Press release, 'Superannuation reform', The Treasurer, the Hon Peter Costello, MP, 20 August 1996.

Recommendations

5.130 **The Committee recommends that:**

- 30. **the base rate of tax payable by working holiday makers on earnings in Australia be retained at the non-resident rate of 29 per cent;**
- 31. **the Australian Taxation Office and the Department of Immigration and Multicultural Affairs continue to pursue a cooperative approach to ensuring that working holiday makers pay appropriate rates and amounts of tax;**
- 32. **the superannuation guarantee charge continue to apply to working holiday makers, but information on the release of benefits be made more readily available to them; and**
- 33. **in the implementation of the superannuation reforms announced in August 1996, consideration should be given to whether working holiday makers who opt to receive equivalent wages and salary rather than superannuation guarantee contributions can receive the money in their weekly wage rather than as a lump sum annually.**

Information for working holiday makers

5.131 During the inquiry, it was suggested that, in relation to some working holiday makers, non-adherence to the requirements of the program may in part be attributable to their lack of understanding of the conditions they are required to meet. From a different perspective, it also was argued that some working holiday makers may be exploited because they have a lack of understanding about award rates of pay and employment conditions in Australia. In this regard, a number of respondents commented on the adequacy of information which is available to working holiday makers.

Knowledge of obligations and entitlements

5.132 Jill Murphy's survey found that most working holiday makers who participated in the survey had sufficient information about the scheme but, generally, had a poor knowledge of labour market conditions in Australia. This was considered to show either that they were not interested in information or it was not available. As most respondents to the survey found out about the scheme through friends or family, it was possible that the information was not available to them.¹⁰⁴

104 Evidence, p. S270.

5.133 Ms Murphy suggested that the success of the program would be maximised if working holiday makers were given information on the state of the economy. She argued that this could be assisted by overseas posts being updated regularly with information which could be provided to applicants.¹⁰⁵

5.134 The Visitoz Scheme argued that working holiday makers who travel independently are less likely to receive information about work opportunities until they arrive. It was suggested that travellers from Canada and the United Kingdom tend to fall into this category.¹⁰⁶

5.135 With respect to the program itself, the ATC indicated that the level of knowledge about entitlements under the scheme was not high: The ATC stated:

One of the things raised in the market is that knowledge of full entitlements under the working holiday maker scheme is very low. That need is being serviced by Australian industry providing information on those areas to help satisfy a lack of information currently in the marketplace.¹⁰⁷

Available information

5.136 DIMA produces advice sheets for applicants for working holiday visas (Form 987i) and people who are granted the visa (Form 1069i). The form for applicants, 'Temporary residence in Australia, Working holidays', outlines the purpose of the program and indicates who is eligible, the duration of work that can be undertaken, how to apply, the need for a return ticket or sufficient funds for the return fare and initial stage of the holiday, and the need to take out private medical insurance unless there is a reciprocal health arrangement between Australia and the applicant's country.

5.137 Form 1069i, 'Advice for working holiday maker visa holders', provides advice on the duration and conditions of the visa, including the work condition. It also outlines the purpose of the visa, informs visa holders about the services of the CES, provides advice that most jobs are covered by award conditions, and notes the consequences which will arise if visa holders breach their visa conditions.

5.138 The ATO's pamphlet, 'Visiting Australia, A Tax Guide', describes the distinction between non-residents and residents for taxation purposes, outlines the need for a work visa and tax file number, gives notice that employers will ask workers to complete an Employment Declaration form which requires the tax file number, and provides advice on the basic tax rate.

105 Evidence, p. S271.

106 Evidence, p. M271.

107 Evidence, p. M29.

5.139 On the availability of other information, the ATC referred to its promotion of the backpacker market, including the production of publications such as *Australia Unplugged*. These publications, however, are not aimed exclusively at provision of information to working holiday makers.¹⁰⁸ The Committee also was told that publications such as *Lonely Planet* are important for the provision of accurate information to young travellers, including working holiday makers.

Additional information

5.140 DIMA has undertaken to advise successful applicants for the visa that they should be paid at award rates, may apply for temporary or casual work only, and may not seek or accept assistance under training and employment assistance programs.¹⁰⁹

5.141 Some horticultural organisations referred to the lack of available information on access to employment.¹¹⁰ Backpacker magazines are said to play an important role in provision of information about employment contacts and pay rates and are relied on heavily by working holiday makers. Difficulties may arise when the information is inaccurate or out of date, particularly if workers have travelled to isolated regions anticipating work which is not yet available or if the harvest has finished. One horticultural organisation referred to advertising in backpacker magazines by hostels which encourages visitors to travel to sites even when work is not available.¹¹¹

5.142 The Mildura and District Harvest Labour Committee recommended that generic information be provided to working holiday makers on Australia's fruitgrowing areas. This could include a map, general description of the areas, means of transport to them, and time frames for harvests.¹¹²

5.143 On a more general level, the ACTU suggested that there should be provision of information on the industrial relations system, rights of workers, and guidance about where to seek help for problems arising at work.¹¹³ Tourism Council Australia referred to concerns about exploitation of working holiday makers and suggested this should be dealt with by education prior to arrival, and through organisations that normally deal with employment matters in Australia.¹¹⁴

108 Evidence, p. S282.

109 Evidence, p. S336.

110 Evidence, p. S84.

111 Evidence, p. S312; see also Evidence, p. M248, p. M255 and p. M272.

112 Evidence, p. S83.

113 Evidence, p. S407.

114 Evidence, p. S357 and p. M558.

5.144 While there was a suggestion that it might be useful to make a toll-free telephone number available to assist working holiday makers who find themselves in difficulties or have a complaint to make, this was not regarded as necessary by one respondent from the tourism industry. In his view, problems were not sufficiently common, nor working holiday makers so dependent, to justify such a service.¹¹⁵

5.145 One organisation which assists working holiday makers told the Committee about some of the services which it offers to its clients. These include a comprehensive information session before departure, as well as an orientation session on arrival, which covers matters such as bank accounts and tax file numbers. That organisation requires participants to have comprehensive medical, baggage and repatriation insurance cover. It also has a voice mail system so that participants can receive and leave messages.¹¹⁶ This example serves to illustrate the kind of information and services which would be useful to all working holiday makers, provided that they were willing to pay or that government resources were sufficient to supply them.

Grievances

5.146 The Committee received some evidence that working holiday makers are taken advantage of in terms of wage rates and conditions. Sometimes hostel owners or publishers of backpacker magazines hear of these complaints.¹¹⁷ Otherwise, there would appear to be no central avenue of complaint for working holiday makers who encounter difficulties during their stay in Australia.

Conclusions

5.147 The Committee recognises that working holiday makers in Australia may not receive, or make adequate use of, the material which is available on the requirements of the scheme or general requirements of people who are employed in this country. Better promotion and presentation of such material may alleviate some difficulties encountered and caused by working holiday makers who are not aware of their entitlements or obligations.

115 Evidence, p. M436.

116 Evidence, p. S166.

117 Evidence, p. M321 and p. M329.

Recommendation

5.148 **The Committee recommends that:**

34. the Department of Immigration and Multicultural Affairs, in conjunction with other relevant Commonwealth agencies, review the information which is provided to working holiday makers to ensure that such information:

- (a) is written and presented in a manner which is targeted at the age range of working holiday makers;**
- (b) includes a comprehensive summary of requirements which working holiday makers must satisfy while in Australia, including the visa conditions and any obligations, such as taxation obligations, which they will need to meet during their stay;**
- (c) lists appropriate points of contact for further information about Australia; and**
- (d) identifies clearly the relevant authorities or agencies which working holiday makers should contact if they require information or experience difficulties while in Australia, particularly in relation to employment, along with the type of information which can be sought from those authorities or agencies.**

Chapter Six

The role of working holiday makers in specific industries

Introduction

6.1 One of the notable attributes of working holiday makers is their tendency to work in industries which regularly require temporary or casual labour to supplement their usual work force. These industries include, in particular, horticulture and tourism.

6.2 Some working holiday makers also have specific language skills which are in demand within sections of the tourism industry. As a result, they have found willing employers among tour companies and duty free stores requiring bilingual and multilingual staff.

6.3 The role which working holiday makers have come to play in specific industries has given rise to concerns that they are affecting the job prospects of Australians in those industries. Such concerns were evident particularly in certain regional areas of Australia.

6.4 In earlier chapters of this report, the Committee has made various recommendations aimed at resolving difficulties identified with the operation of the working holiday program. In this chapter, the Committee examines the longer term issues and options for those industries and industry sectors in which working holiday makers have become an important component of the labour force.

Horticultural industry

6.5 In Chapter Three, as part of its examination of the labour market impact of working holiday makers, the Committee considered in detail the importance of working holiday makers in meeting the seasonal labour requirements of the horticultural industry. Evidence to the Committee indicated that working holiday makers have become an integral part of that industry, with their role varying across regions and industry sectors. While some horticultural organisations noted that working holiday makers are an important supplement to the local labour force, other indications suggested that in some areas there appears to be a significant dependence on working holiday makers to meet seasonal labour requirements (see paragraphs 3.37 to 3.44).

Dependence on working holiday makers

6.6 During the inquiry, some disquiet was expressed about the extent of the horticultural industry's reliance on working holiday makers. DEETYA, for example, commented:

While the WHM Scheme plays a vital role in harvesting crops in peak periods, it is arguable whether the industry should rely to this extent on the importation of WHMs especially if it is at the expense of young, unemployed Australians.¹

6.7 In response, horticultural organisations outlined the difficulties they have experienced in attracting Australians to undertake harvest work. As noted in Chapter Three, the reasons Australians are not available or willing to take up horticultural work opportunities were said to include:

- reluctance to travel outside metropolitan areas for short-term work; and
- the physically demanding nature of the work.

Harvest labour strategies

6.8 At the same time, the Committee was told about the efforts which some horticultural organisations have made to employ more Australians and thereby reduce their dependence on working holiday makers. Those efforts have included the development of harvest labour strategies involving a cooperative approach between the horticultural industry and government, through the CES within DEETYA's portfolio.² As explained to the Committee:

DEETYA (via the CES) has worked with employers and industry bodies over the last few years to develop a harvest labour strategy aimed at increasing the number of local jobseekers involved in harvest work. This has included programs to extend the period of work so that it is not restricted to a picking job for a few weeks, but a job that involves obtaining skills in many aspects of the industry designed to create ongoing employment. Learning the skills involved in packing, pruning and block maintenance enables jobseekers to extend a three week fruit picking job into a six or nine month multi-skilled job which also provides industry with a local pool of trained labour.³

1 Evidence, p. S263.

2 Government reforms to employment services will result in the establishment of the Public Employment Placement Enterprise in place of the CES. At the time the Committee was preparing this report, those reforms were being implemented and were expected to come into effect in early 1998.

3 Evidence, p. S263.

6.9 A particular focus of these harvest labour strategies has been to improve coordination of recruitment activities between the horticultural industry and the CES. In some regions, this has delivered positive results. As noted by the Mildura and District Harvest Labour Committee:

We now operate a system where vacancies are lodged through the CES. The CES officers are contacted through the network. They endeavour to fill those vacancies for us. That has been extremely successful. The top-up labour that we use if there are shortages are the backpackers.⁴

6.10 A key initiative has been the establishment of harvest labour offices to coordinate the recruitment of harvest labour to particular regions on a seasonal basis. The Mildura and District Harvest Labour Committee noted:

With the CES, we have taken over the role of running a harvest office in the Mildura area. Before that, in the November-December period, we run a campaign. That campaign includes going to Melbourne and Adelaide CES offices through to Whyalla and then Sydney, Wollongong, Parramatta and Liverpool. We go to the regional CES offices, which then bring outlying CES harvest offices into the meeting. We then give out ... information ... regarding our harvest. When people come into their office, they can send those people down to us for the harvest. That system has taken 10 years to refine.⁵

6.11 Commenting on the benefits of a coordinated approach between the industry and the CES, the Mildura and District Harvest Labour Committee noted the improved situation which has developed over time. It stated:

There was not that much support towards the harvest areas from the government, with the unemployment rate dropping. People would not move from their area and come down to pick grapes for a six- to eight-week period. They did not know about the harvest period because we did not have the funds to get out and tell people. Since then, we have got support through DEETYA, which provides funds to us. It has supported us and we are able to get our message out to the general public. Industry is taking over the role of running the harvest as opposed to the CES doing it by themselves.⁶

6.12 As a result of these more coordinated efforts at labour recruitment, working holiday makers are required only as a supplement to the labour force in the Mildura district. The Mildura and District Harvest Labour Committee estimated that, of its 15 to 20 thousand itinerant employees, only five per cent are working holiday makers.⁷

4 Evidence, p. M675.

5 Evidence, p. M677.

6 Evidence, p. M678.

7 Evidence, p. M675.

6.13 A similar picture was presented by the Northern Victoria Fruitgrowers' Association, which noted that it has achieved greater success in attracting harvest labour to the region as a result of a more coordinated approach to recruitment. The Committee was told:

We have found the general recruitment of labour into the fruit industry in the Goulburn Valley has become more successful, more organised and more managed—I am talking about Australian labour more than about working holiday makers.⁸

6.14 Similarly, the Riverina Area Consultative Committee advised that cooperation with the CES has enabled it to target local unemployed people for harvest work and, once that labour pool has been exhausted, to attract seasonal workers to the area. In addition, the establishment of an international hostel in the region has assisted in attracting working holiday makers to the area so as to make up any shortfall in harvest labour.⁹

6.15 The Committee also was told that the harvest labour strategies used in the above regions have served as models for other horticultural areas. For example, the Swan Hill Rural City Council noted that it recently applied for and obtained funding from DEETYA to establish a harvest office in Robinvale and Swan Hill. Commenting on the plans for that office, the Council stated:

A part of those people's job description will be to develop some innovative strategies to attract all kinds of labour into the area in horticulture.¹⁰

6.16 In relation to some other regions, however, the Committee heard of difficulties which horticulturists have faced in establishing a similar harvest labour strategy. The Riverland Horticultural Council, for example, noted that it too had been interested in establishing a similar harvest labour strategy to that developed by the Mildura and District Harvest Labour Committee, but was not successful in achieving a partnership with the CES. The Council commented:

We got very close to it a year or so back. We were about to embark on a partnership arrangement with the CES under an [Office of Labour Market Adjustment] project. There was then a federal election and everything went into limbo, so we missed out.¹¹

8 Evidence, p. M637.

9 Evidence, pp. M660-M664.

10 Evidence, p. M724.

11 Evidence, p. M707.

6.17 According to the Riverland Horticultural Council, changes to government programs have not enabled it to pursue its proposals in relation to a harvest labour office. The Council stated:

The difficulty—I am sure the Mildura people would support this—is that you need industry input and some government resources. If you do not have any government resources, it is very difficult to get those kind of coordinated programs off the ground.¹²

6.18 From a similar perspective, a representative of the Bundaberg Fruit and Vegetable Growers noted that efforts at establishing a harvest office in conjunction with the CES 'met a brick wall'.¹³ According to the Growers, there was not enough funding available to establish a harvest labour office and the CES could not allocate personnel to such a project. As a result, there has been no single body for coordinating harvest labour to the region.¹⁴ The Growers commented:

The CES just talk about their financial cutbacks and that they are not able to do anything. It is very difficult for us to get that rolling.¹⁵

6.19 The Committee was told that, as a consequence of this lack of harvest labour coordination, fruit growers in areas such as Bundaberg are more likely to regard working holiday makers as a necessary component of the labour force. A representative of the Bundaberg Fruit and Vegetable Growers stated:

I would suggest that working holiday makers are not seen as tourists in quite a lot of these areas. They are seen as a labour force. There is a distinction. They want them to come to perform tasks, not to act as tourists.¹⁶

Future prospects

6.20 As part of its examination of this issue, the Committee questioned horticultural representatives on the future strategies which are required to encourage more unemployed Australians to take up horticultural work and thereby reduce the industry's dependence on working holiday makers. The general feeling among horticultural representatives was that the partnership between government and industry needed to be developed further.

12 Evidence, p. M715.

13 Evidence, p. M257.

14 Evidence, p. M257.

15 Evidence, p. M262.

16 Evidence, p. M254.

6.21 In this regard, some concerns were expressed to the Committee about the impact which changes to the CES may have on developing a coordinated approach to harvest labour recruitment. The Mildura and District Harvest Labour Committee, for example, commented:

We are very concerned about the network that will be set up for us to use in the future. With PEPE—the Private Employment and Placement Enterprise—we would like a system similar to the CES system so that we can get people to the area. If all the organisations are privatised, we may have to go from office to office to office in every capital city. The private enterprise will want money or look for funds from each person they send to the area. At the moment, the CES does that as a community exercise or obligation.¹⁷

6.22 At the same time, it was acknowledged that greater industry-wide coordination of harvest labour strategies is required. Commenting on the existing situation, the Riverland Horticultural Council stated:

The horticultural industries are slowly getting organised. A number of those organisations are now associated with the Australian Horticultural Corporation in terms of market development programs. A large number are involved with the Horticultural Research and Development Corporation in terms of [research and development] programs and national levies. That provides us with an opportunity to come together more frequently and have a parallel meeting to discuss some of these issues. We are only in the very early stages of that. We certainly do not have a formalised process of doing that. We have held the occasional summit or conference on this issue, but we do not have a formal structure at a national level that would run across all crops and deal with this issue in a systematic way.¹⁸

6.23 One particular suggestion raised during the inquiry was the possibility of establishing some form of coordinated harvest trail which would encourage Australians who are not able to secure permanent employment to move from region to region and undertake horticultural work. It was noted that such a concept was popular some time ago.

6.24 In response, it was argued that there are a number of factors which have led to the demise of the harvest trail concept which was in existence previously. One factor has been increased mechanisation of harvesting. In this regard, a representative of the Northern Victoria Fruitgrowers' Association stated:

I think you are all familiar with the concept of the *Summer of the Seventeenth Doll* and people working from Queensland for the cane harvesting right down through to southern states of Australia working as fruit-pickers, and that helped to complete a 12-month employment pattern, and it certainly included Tasmania. Of course, when canecutting became mechanised a whole skilled work force

17 Evidence, p. M686.

18 Evidence, p. M716.

disappeared, retired or did other work, and so we lost a lot of those traditional fruit-pickers in Victoria and Tasmania and South Australia as a result of that.¹⁹

6.25 A related factor has been changes in traditional horticultural seasons, with overlaps between seasons resulting in gaps during which horticultural work is not available. As a result, the number of itinerant workers relying on regular and continuing harvest work has declined.²⁰

6.26 It also was suggested that rising unemployment has made people reluctant to pursue a harvest trail concept. The Northern Victoria Fruitgrowers' Association commented:

The growing levels of unemployment during the late 1970s into the 1980s in fact worked against the harvest trail concept because, where once people would take mum, dad and the kids, the caravan and travel around Australia seeking temporary work knowing they could always get it, they were reluctant to do that when their own permanent job was at risk, and we are still to some extent suffering from that problem. We are trying to target those traditional family groups with their caravans because they are ideally suited to the harvest work, but if we cannot get them then obviously working holiday makers is one area that we can tap into.²¹

6.27 In addition, it was argued that a change in the culture of work has made the harvest trail concept unattractive to many Australians. The Mildura and District Harvest Labour Committee stated:

Most people are used to working in an office environment. They are not used to the labouring jobs. People have the view that it is hard work picking grapes. They would rather stay in their own area and see whether they can pick up something there than go from place to place not knowing from day to day what sort of work they will be doing. The whole of Australian culture has gone away from that. However, working holiday maker visa holders want to do that. They want to be able to go from place to place and get a bit of culture. The harvest trail would be advantageous to those people. It gives them that experience of what Australia is all about once they are here.²²

6.28 Nevertheless, it was suggested that better coordination of harvest labour strategies would be useful in addressing the labour needs of the horticultural industry. Describing his own experience in this regard, a representative of the Northern Victoria Fruitgrowers' Association noted:

Last year I managed a harvest office during the season and we continued on for one week after our season had completed. We did not differentiate between working holiday makers and Australians and

19 Evidence, p. M647.

20 Evidence, p. M265.

21 Evidence, pp. M647-M648.

22 Evidence, p. M682.

we encouraged them to come into our harvest office and we found them jobs. Tasmania was a typical place, Batlow, so that we placed them. This year we went up into Townsville, and that was where the canecutters used to come from years ago. Because they have gone and other people have taken over different jobs, that concept had been forgotten, and now we are trying to reintroduce it, that the people are now starting to think, 'Oh yes, there is somewhere,' and if all the harvest areas can work together and when my season is finished, if I can encourage people to go somewhere else, I believe that this is the way that we should go—we can all work together.²³

Conclusions

6.29 At a time of high unemployment, particularly among young Australians, it is of considerable concern that some horticulturists must rely on working holiday makers to be their primary source of labour instead of a supplement to the local labour force. The extensive use of working holiday makers in meeting the seasonal labour requirements in some horticultural regions of Australia reflects the desire for a 'quick fix' rather than a longer term solution to the labour market needs of the industry.

6.30 The Committee commends those horticultural organisations which, in partnership with government, have developed appropriate strategies for increasing Australian participation in harvest work and reducing their dependence on working holiday makers. If harvest labour strategies can help to solve harvest labour shortages in the horticultural regions of Mildura, the Goulburn Valley and the Riverina, then there is no reason that they should not be tried in other horticultural areas of Australia facing similar labour problems.

6.31 Horticultural areas which are continuing to require large numbers of working holiday makers to meet their seasonal labour requirements must be encouraged to adopt the harvest labour strategies which have proved successful in attracting Australian workers to certain other regions. This can be achieved only if a cooperative approach between government and the horticultural industry is developed further. Particular attention should be directed to those regions in which attempts at establishing a harvest labour office for coordination of recruitment activities have not come to fruition.

6.32 The horticultural industry itself needs to adopt a more strategic approach to the labour market issues confronting it. Industry-wide cooperation is necessary to ensure that the successful ideas implemented in one region can be translated to other regions.

6.33 One strategy which was of particular interest to the Committee was the revival of the harvest trail concept as a means of providing unemployed Australians with continuing work opportunities in the horticultural industry. Evidence to the Committee from some horticultural organisations, which have

23 Evidence, p. M648.

assisted in coordinating work for pickers in other regions after the end of their own harvest season, suggested that such efforts could be expanded on an industry-wide basis, so that information on year-round harvest work is available to encourage unemployed Australians to take up work in the horticultural industry.

Recommendations

6.34 **The Committee recommends that:**

35. **harvest labour strategies which have proved to be successful in encouraging unemployed Australians to take up harvest work, and which have helped to reduce dependence on working holiday makers in some horticultural regions of Australia, be implemented in horticultural regions which continue to rely extensively on working holiday makers for seasonal labour;**
36. **in order to ensure effective coordination of harvest labour recruitment and a reduction in the horticultural industry's dependence on working holiday makers, appropriate government support be provided to allow for the maintenance of existing harvest labour offices and the establishment of new offices in regions with seasonal labour needs; and**
37. **a coordinated national strategy for harvest labour recruitment be developed by representative organisations of the horticultural industry in order to reduce the industry's dependence on working holiday makers and to provide unemployed Australians with year-long work either in a particular region or across a variety of regions.**

Tourism industry

6.35 The role of working holiday makers in the tourism industry also attracted comment during the inquiry. At issue, in particular, was the extent to which employers in sections of that industry are relying on working holiday makers to meet their requirements for bilingual and multilingual staff, and the effect this was having on Australians seeking to work in the industry.

Tour guides

6.36 In a number of submissions, concerns were expressed about the employment of working holiday makers as tour guides. Those concerns were focused specifically on Japanese working holiday makers in the Cairns and Gold Coast regions of Queensland.

6.37 Many of the complaints made to the Committee related to employers and working holiday makers circumventing the requirements and objectives of the working holiday program. Those matters have been addressed in Chapter Five.

6.38 The more complex issue for the Committee was the extent to which Australians are being excluded from work opportunities as tour guides because of the availability of Japanese working holiday makers. Complaints in this regard were made in various submissions.

Displacement of Australians

6.39 The Committee was told that Australians are being displaced as tour guides in areas such as Cairns and the Gold Coast because companies which bring Japanese tour groups to Australia prefer Japanese working holiday makers to be their tour guides. It was suggested that this preference arises as a result of the lower wages and lesser conditions which Japanese working holiday makers will accept. As argued in one submission from a tour guide:

Some in-bound tourist companies almost exclusively employ Japanese youngsters with working holiday visas for they work for lower wages. It is said they sometimes work for no wages for an attractive tour in which they could accompany their customers, for example to Ayers Rock. Their income on this tour is commissions on optional tours and other products sold to the tourists. These people are unfairly competing for jobs with Australians, and the companies are exploiting the situation at the expense of Australians.²⁴

6.40 These sentiments were echoed in a submission from another tour guide, who stated:

With a large number of WHV Japanese available companies do not try hard to find Japanese speaking Australians to fill their vacancies. (Why try hard when the WHV Japanese will work for less).²⁵

6.41 DEETYA agreed that some employers are engaging Japanese working holiday makers in preference to Japanese-speaking Australians. Commenting on the reasons for this, DEETYA stated:

Some interviews we conducted with employers indicated that a reason for choosing the Japanese working holiday makers was that they were gaining a competitive advantage over international and national competitors. Also, it was the nature of the business, if they had a lot of Japanese tourists they were more inclined to pick up the working holiday makers or to have this arrangement. Ownership of the company was another factor. If it was a Japanese company there

24 Evidence, p. S249.

25 Evidence, p. S430.

was more of a tendency to employ them. Also, they did not wish to invest in training Australians for these positions.²⁶

6.42 On the basis of a study he co-authored into Japanese temporary residents in the Cairns tourism industry, Mr Rick Carr supported the claim that some preference has been shown towards Japanese temporary residents, including working holiday makers, in sections of the industry. He stated:

There is a perceived preference, certainly. At the end of the day, the prime criterion is the skill levels available. At that time, there was a perception that the Australian labour market was incapable of supplying the right degree of language skill and cultural knowledge that was required by a number of employers. Hence, almost for kudos reasons, there was an in-built preference towards the Japanese labour. Whether or not that still exists, I do not know.²⁷

6.43 Mr Carr indicated that the issue of Japanese temporary residents being preferred for some employment in the Cairns regions is inextricably linked to the significant involvement of Japanese companies in the tourism industry in the region. He noted that Japanese people have been integral to tourism growth in the Cairns area, not only because they constitute a significant percentage of tourists visiting the region, but also because of their ownership and operation of hotels, travel companies and duty free stores. While noting that this Japanese involvement in the region has been crucial to the expansion of the Cairns economy, Mr Carr suggested that it has resulted in Japanese temporary residents, including working holiday makers, assuming a dominant position in some tourism-related occupational categories in the area. In his view, this has had significant implications for Australians working in those industry sectors. Mr Carr commented:

One thing we did find was that, contrary to popular opinion, the temporary residents that were in use actually formed the base labour pool in a lot of those occupations. In other words, the temporary resident pool, although it turned over, was the permanent base of labour, and the swings—the ebbs and flows—were absorbed by the Australian labour force. In other words, in the view of the Australian aspirants towards those sorts of positions, the temporary resident labour received the preferential treatment. They received the plum sorts of jobs and the Australians picked up the crumbs. The employers did not admit that, necessarily.²⁸

6.44 It was noted that the impact of Japanese temporary residents working in the region is greater than overall numbers would suggest, because of their concentration in particular occupational categories. Mr Carr stated:

... where the overseas labour was employed in the particular occupational categories, they were a very high proportion of that

26 Evidence, p. M785.

27 Evidence, p. M415.

28 Evidence, p. M414.

particular firm's labour force. In other words, although there were only about 400 overseas workers in the region at the particular time, in the particular categories and the particular occupations where they worked, and in the particular organisations where they worked, they were an integral element of the operation.²⁹

Need for working holiday makers

6.45 On the issue of Japanese displacing Australians in tour guide jobs, representatives of the tourism industry suggested that it has been more a case of needing rather than preferring Japanese working holiday makers. It was argued that the lack of suitably qualified Australians, both in terms of Japanese language and cultural skills, makes it imperative for employers in regional areas to use working holiday makers as tour guides. The Committee was told:

We are reflecting the requirements of the industry, that we do have a problem of bringing people into the industry with those skills. We can only at this stage meet it by getting people from overseas, and undoubtedly there is a structural problem there for which, in terms of our capacity, we do not have ready solutions, but perhaps it should be looked at by your Committee.³⁰

6.46 DIST indicated that even though Australia has a steady flow of graduates with language skills, including Asian language skills, this does not lead to sufficient trained personnel being available for tour guide positions. DIST commented:

Tour guide positions may simply not represent an attractive career option for Australians with appropriate language and cultural skills. Firstly, these Australians are very often tertiary qualified. Tour guide positions are generally not well paid, and the job does not necessarily offer an attractive or clearly defined career path. The expectations of graduates with good foreign language skills are generally that they can obtain employment in fields with better longer term prospects ... Secondly, tour guide positions may be available in geographic locations removed from the main regions of supply of Australian graduates—for example, a Sydney or Melbourne graduate may not find the prospect of relocating to Cairns an attractive one. Third, graduates may simply have no interest in working in the tourism industry—the mere possession of language skills of themselves need not indicate any interest in tourism. Finally, it may be the case that, despite having tertiary language qualifications, the fluency is still not at a sufficient level and the cultural understanding may also be somewhat limited.³¹

29 Evidence, p. M418.

30 Evidence, p. M40.

31 Evidence, p. S395.

6.47 In response, a number of tour guides argued that, in order to justify their employment of Japanese working holiday makers and other Japanese temporary residents, employers unfairly use the excuse that Australian applicants for a tour guide position do not have adequate language skills or appropriate cultural understanding. During private discussions which the Committee held with tour guides, examples were provided of Australians being denied opportunities for work on the basis that they did not have adequate Japanese language skills, even though the people concerned had completed tertiary studies in Japanese and had undertaken further study in Japan. As an example of the difficulties faced by Australians, it was noted that an advertisement for employment of tour guides listed a requirement for fluent English and fluent Japanese, but Australians who spoke Japanese fluently were refused employment while a Japanese working holiday maker with very poor English was accepted.

6.48 It also was argued that some employers are overemphasising the level of language skill required to undertake certain tour guide work. As stated by one tour guide:

While some of the people they need will require a high level of Japanese language skill, most will not. Basic tasks such as escorting Japanese customers to restaurants, duty free shops, airports, wharfs etc. can be done successfully with basic skills. Even guiding to hotels and half-day sightseeing trips can be done with only intermediate level skills.³²

6.49 The same tour guide claimed that the real reason Japanese companies and some Australian companies opt for Japanese working holiday makers instead of Japanese-speaking Australians relates more to convenience than to the language and cultural skills of the Australians. He argued:

The Japanese working holiday maker will work hard for little reward. In an industry with no relevant award wages or minimum regulated standards, exploitation is rife. Why should these companies employ Australians when there is no requirement by law to do so? Why should they invest in the people of Australia?³³

6.50 Other evidence to the Committee suggested that the issue is not whether there are sufficient Australians with adequate language skills to undertake work in the tourism industry, but rather the lack of success the tourism industry has had in attracting Australians who have such skills. In this regard, DEETYA commented:

We believe that there are Australians who do wish to develop careers in the tourism and hospitality industry and who have the relevant skills and we note that data from the Graduate Careers Council of Australia does support this assertion, that there is a supply of labour.

32 Evidence, pp. S415-S416.

33 Evidence, p. S416.

However, because the industry itself does not have training, or does not have career paths which could start off in this area, and also, of course, because it is casual employment, it has got low pay, it is not as attractive to some of those Australians.³⁴

Wages and conditions

6.51 Alongside concerns that the employment of Japanese working holiday makers as tour guides displaces Australians, there also were indications that an available pool of non-Australian labour can affect the wages and conditions of tour guides. In this regard, one tour guide stated:

Our declining conditions can be directly attributed to the over supply of cheap holidaying youth from Japan forcing down pay and conditions ... My main concern is that as long as this flow of labour continues, there will remain no incentive for employers to employ and train young Australians, who are capable of doing the work, but who may require an apprenticeship to have them work ready.³⁵

6.52 On the basis of his study, Mr Carr indicated that the presence of working holiday makers impacts adversely on the ability of Australians to negotiate for improved conditions. He commented:

... certainly it affects the ability of Australian aspirants for those sorts of positions to come to a better negotiating position at the end of the day. In other words, it is influencing the ability of the Australian labour force to negotiate differentials, premiums or whatever which recognise their particular skills over and above the general skill level that the employers are looking for. For instance, it basically influences the ability of Japanese language tour guides or shop assistants to negotiate a better premium that rewards them for their investment in their particular skill.³⁶

6.53 A separate concern was that the requirements imposed by some employers act as a disincentive for Australians to take up work as tour guides. It was argued that some employers expect prospective tour guides to undertake up to one months' on-the-job training without being paid. It was suggested that Australians with regular financial commitments, such as mortgages, cannot afford to do this. By contrast, it was noted that working holiday makers are prepared to take on such positions because they only require spending money for their holiday. According to one tour guide, this contributes to the displacement of Australians from tour guide positions.³⁷

34 Evidence, p. M785.

35 Evidence, p. S427.

36 Evidence, p. M422.

37 Evidence, p. S423.

Industry impact

6.54 A number of respondents suggested that the reliance on Japanese working holiday makers to fill tour guide positions also can have an adverse effect on the development of the Australian tourism industry. It was argued that Japanese tour groups travelling to Australia do not receive a uniquely Australian experience if the guide is a Japanese working holiday maker rather than a Japanese-speaking Australian.

6.55 The Gold Coast Branch of the Queensland Japan Chamber of Commerce and Industry asserted that, by favouring Japanese tour guides, the tourism industry was not meeting the expectations of some Japanese tourists. The Chamber stated:

Indeed visiting tourists would prefer local Australians to be tour guides rather than to be guided by people of their own race. Shortfalls or shortcomings in linguistic ability can be tolerated by visiting tourists provided they feel and believe that they are learning about Australia from Australians.³⁸

6.56 It was suggested that even though it may be convenient for the tourism industry to use working holiday makers as tour guides, this was not in the best interests of the tourists who visit Australia. On this point, Mr Carr commented:

... all the market surveys that are undertaken point to the fact that part of the attraction for a Japanese tourist in coming to Australia is to try and appreciate the Australian cultural identity. The accusation there is that the Japanese tour guide does not appreciate the Australian culture sufficiently to impart that to a Japanese tourist.³⁹

6.57 One example of this was provided to the Committee during its visit to Cairns on Remembrance Day, when it was told about a working holiday maker acting as a tour guide who was unable to explain to a tour group why people were observing a minute's silence at 11.00 am on 11 November. It was suggested that this lack of knowledge about Australia was characteristic among working holiday makers acting as tour guides.

6.58 Some evidence also was presented to indicate that the ease with which working holiday makers can acquire work as driver-guides presents a danger to tourists and the community. The Committee was told that some working holiday makers have been able to acquire jobs as driver-guides without

38 Evidence, p. S43; see also Evidence, p. M382.

39 Evidence, p. M423.

undergoing appropriate testing of driving skills. One witness who appeared before the Committee noted:

I personally reversed a 22-seater coach out of a parking bay at the international terminal because the driver-guide could not. So the system is open to abuse and it is open to rorts.⁴⁰

6.59 Another respondent suggested that some working holiday makers are able to acquire jobs as driver-guides straight after their arrival in Australia, even though they do not have an adequate command of the English language. The Committee was told:

This is dangerous as a lot of them can't read or understand English which means they cannot read the signs or help somebody in an emergency.⁴¹

Addressing the problems

6.60 While there were contrasting views about the extent to which Japanese working holiday makers displace Australian tour guides in regions such as Cairns, there was a general acceptance that problems associated with the employment of non-residents as tour guides are too complex to be resolved simply through adjustments to the working holiday program. As noted by DIST:

... the question of tour guides and the arrangements which best meet the needs of all parties is extremely complex and cannot be solved simply by adjusting the terms and conditions of the WHM scheme.⁴²

6.61 DIST argued that using the working holiday program to deal with the problems raised in relation to tour guides in effect would be treating the symptom and not the disease. DIST commented:

The disease is the lack of awareness or the short-term approach of some of these employers. The working holiday maker scheme gives them a way of operating that does fulfil that approach. The real problem is not the existence of the working holiday maker scheme; it is their attitude which requires addressing.⁴³

40 Evidence, p. M469.

41 Evidence, p. S430.

42 Evidence, p. S396.

43 Evidence, p. M795.

6.62 DIMA concurred that the solution to the tour guide issue is not to be found within the working holiday program. It stated:

... the working holiday maker scheme is not the appropriate labour market mechanism to solve the tour guide issue. The tour guide issue has to be solved between this department, DEETYA and the tourism industry in Australia and offshore.⁴⁴

6.63 As noted in Chapter Five, DIMA was opposed to adjusting the working holiday program, for example by restricting the industries which working holiday makers could work in, as a means of resolving labour market problems in particular industries or regions. DIMA indicated that such measures would make the working holiday program unduly complex and would not address the crux of the problem.⁴⁵

6.64 Both DIMA and DEETYA argued that a labour agreement developed between industry and government would be the most appropriate mechanism for dealing with the problems identified in relation to tour guides.⁴⁶ A labour agreement would enable the industry to bring in appropriately skilled workers from overseas where necessary, while at the same time ensuring that the industry makes a commitment to the training of local labour and the development of appropriate career paths so that local workers eventually become the mainstay of the industry sector.

6.65 While a labour agreement for tour guides was favoured by Commonwealth agencies, they noted that previous attempts to establish such an agreement have been unsuccessful. DIMA, however, suggested that the Committee's inquiry could provide the impetus for a further attempt to establish such an agreement.⁴⁷

6.66 Alongside this optimism, there also was some scepticism about the tourism industry's commitment to longer term solutions to problems within the tour guide sector. The Gold Coast Branch of the Queensland Japan Chamber of Commerce and Industry commented:

Whilst ever there is an easy quick fix solution for tour operators and other players in the tourism industry it is unlikely that they will contribute the resources in terms of time, money and staff to develop a long term response to their needs for client communications.⁴⁸

44 Evidence, p. M783.

45 Evidence, p. M509.

46 Evidence, pp. M783-M784.

47 Evidence, p. M783.

48 Evidence, p. S42.

6.67 In response to such concerns, DIMA argued that there should be a limit on the amount of time which people should have to deal with the tour guide problem by voluntary means. It suggested that if a labour agreement is not able to be concluded within a reasonable time frame, more radical solutions, such as prohibiting working holiday makers from working in particular industry sectors, may need to be considered. The Deputy Secretary of DIMA stated:

I agree that if a labour agreement cannot be successfully concluded, and two years is a reasonable thing, another solution has got to be found. You take labour market agreements out of it and I would agree it is probably unique solutions that would need to be looked at in terms of solving this issue.⁴⁹

6.68 DIST suggested that, alongside efforts to establish a labour agreement for tour guides, the solution to the tour guide problem also lies with the tourism industry encouraging a more professional approach to tour guides.⁵⁰ This could involve requiring a form of accreditation, which would mean that working holiday makers who are not trained as tour guides would not be able to take up tour guide positions as easily as they are able to do at present.

6.69 In this regard, DIST was supportive of recent efforts by the Inbound Tourism Organisation of Australia, which has developed a tour guide accreditation program. DIST noted:

It has tests which it conducts for would-be tour guides and they receive accreditation. Certainly, [the Inbound Tourism Organisation of Australia] has been active in trying to promote the benefits of it to its members.⁵¹

6.70 Commenting on the success of such accreditation programs, DIST indicated that while non-Japanese employers have been quite supportive, the same could not be said of Japanese employers. In relation to the accreditation program offered by the Inbound Tourism Organisation of Australia, a representative of DIST commented:

... it is still being developed by the Inbound Tourism Organisation of Australia, and in fact they have probably, in the last 12 months at least, been more active in promoting and pursuing that scheme than they had previously. I think the problems it has had over time is a reluctance on the part, particularly, of Japanese tour companies to become fully involved in that scheme.⁵²

49 Evidence, p. M794.

50 Evidence, p. M795.

51 Evidence, p. M381.

52 Evidence, pp. M787-M788.

6.71 When asked to expand on the strategies needed to deal with situations where Japanese employers in the Australian tourism industry continue to favour Japanese temporary residents ahead of Japanese-speaking Australians, DIST stated:

We would like to be able to convince those employers that it is in their longer-term interests to have a more professional guide sector, that they are really taking a relatively short-term approach, particularly if they are using working holiday makers who can work for a maximum of three months with the one employer. There is no way that they can provide, in our view at least, a really valuable contribution to a holiday maker's enjoyment of their trip; there is no way they can adequately, we believe, interpret the Australian culture and even the history or geography or whatever to visitors to Australia.⁵³

6.72 Certain difficulties with practical aspects of accreditation for tour guides were anticipated by Tourism Council Australia, which referred to a DEETYA-funded project on tour guiding and tour coordination. The Tourism Council stated that, during the project, problems arose with unions over on-the-job training because the inbound tourism industry does not have an award that covers tour guides or operators. The Tourism Council commented:

The difficulty with tour guiding is the hours, and that has really got very little to do with the industry. It has got more to do with the airlines—the flights arrive at seven o'clock in [the] morning through until 10 o'clock and then the airport is dead for the rest of the day. So the tour guides have to meet those flights and then take the travellers to their hotels. There were all sorts of inconsistencies in the hours that they were working and the short duration, like a four-hour job per day, that the union had some problems with. However, once the award is in place, hopefully we can once again try to do a traineeship system.⁵⁴

Conclusions

6.73 Continuing problems associated with temporary residents, particularly working holiday makers, being employed as tour guides have the potential to bring the working holiday program and the tourism industry into disrepute. While those problems, which include breaches of visa conditions and allegations of Australians missing out on jobs, were identified in relation to specific regions of Queensland, they could have wider ramifications if they remain unresolved.

53 Evidence, p. M382.

54 Evidence, p. M52.

6.74 It is inappropriate that temporary residents, including working holiday makers, have come to play such a significant role in the tour guide sector of the Australian tourism industry. Evidence from regions such as Cairns and the Gold Coast indicates that Australians are being placed at a disadvantage as a result of the attitudes and practices of some employers within the industry who are taking the convenient and sometimes cheaper option of employing working holiday makers in preference to Australians.

6.75 The Committee is particularly concerned that the tourism industry is doing itself a disservice by relying too heavily on Japanese temporary residents, including working holiday makers, to act as tour guides for Japanese clients. Working holiday makers generally do not have an appropriate level of knowledge about Australian culture, society, geography and history. Such knowledge is vital in ensuring that tourists are provided with a uniquely Australian experience during their visit. In addition, working holiday makers generally do not have any significant experience in being a tour guide.

6.76 The lack of accreditation within the tour guide sector exacerbates the problem, because temporary residents such as working holiday makers do not have to demonstrate any knowledge of Australia before they can work as tour guides. Disturbing evidence provided to the Committee indicated that some working holiday makers even have been able to gain work as driver-guides without proper testing of driving skills. This not only reflects on the professionalism of the tourism industry, but also has serious safety implications for tourists and the community as a whole.

6.77 While the Committee acknowledges that the tourism industry requires people with well-developed language skills, the working holiday program and other temporary residence categories should not be viewed as a long-term source for such people. The working holiday program currently may be a convenient source of employees who can speak foreign languages fluently, but it does not provide a viable long-term solution to a labour market need.

6.78 The solution to the tour guide issue should not be sought within the working holiday program. Instead it requires a concerted effort on behalf of the tourism industry, in cooperation with government and unions, to provide a forward looking framework for addressing the needs of the industry.

Recommendations

6.79 **The Committee recommends that:**

38. **in order to resolve existing difficulties associated with the employment of temporary residents, including working holiday makers, in the tourism industry, particularly as tour guides:**
- (a) **the working holiday program not be used as a primary mechanism for meeting the tourism industry's need for bilingual and multilingual staff;**
 - (b) **a working party, involving tourism industry, government and union representatives, be established to develop appropriate Technical and Further Education (TAFE) courses and labour market strategies which will lead to the staffing needs of the tourism industry being met principally through the employment of Australians; and**
 - (c) **the working party commission a detailed study of the tour guide occupation, as a basis for developing appropriate labour market strategies to foster the employment of Australians as tour guides;**
39. **within three years, a mandatory accreditation system for tour guides be introduced to ensure that tour guides are skilled appropriately and have adequate knowledge of Australian culture, society, geography and history;**
40. **within three years, a labour agreement for tour guides be established which would:**
- (a) **allow for the temporary entry to Australia of a specified number of persons with specialised skills relevant to tour guide work where employers demonstrate the existence of a skill shortage which cannot be addressed in a timely manner through the training of Australians; and**
 - (b) **provide a commitment by employers to employ and train Australians to acquire the requisite skills for bilingual and multilingual tour guide positions; and**
41. **if a labour agreement, as outlined in recommendation 40, is not established within three years, consideration be given to restricting temporary residents, including working holiday makers, from employment as tour guides.**

Sales staff in duty free stores

6.80 Some concern about the employment of working holiday makers as sales staff in duty free stores also was expressed to the Committee. The interesting point was that the matter was raised by the industry body representing duty free operators.

6.81 The Australian Duty Free Operators Association noted that, with the increase in the number of Asian tourists to Australia, particularly Japanese tourists, duty free companies have needed to employ working holiday makers who are fluent in Asian languages in order to meet their staffing requirements (see also paragraph 3.47). One of the main reasons given for requiring working holiday makers was that duty free stores need bilingual staff with a high level of language skill in order to assist non-English speaking clients, particularly as there is often a need to explain the technical details of equipment being sold in the stores. According to the Association, the requirement for staff fluent in Japanese has led some duty free companies to advertise in Japan for young people to travel to Australia on working holidays.⁵⁵

6.82 The Australian Duty Free Operators Association submitted that overseas recruitment of working holiday makers is contrary to the spirit of the program and does not provide a viable long term solution for duty free companies. It stated:

[The Australian Duty Free Operators Association] is aware the holiday visa system was not designed for this kind of recruitment, and that it is contrary to its spirit and intent. For that reason alone, we submit the current system needs to be reviewed. In its place we strongly urge the development of an alternative system which will assist the tourism industry to better serve its markets and balance the need to protect Australian jobs and provide extensive training opportunities to the Australian work force.⁵⁶

6.83 The Association was supportive of efforts which have been made to establish labour market agreements in the tourism industry. It suggested that a working party, involving relevant government agencies, industry bodies and union representatives, be established to consider in further detail options to meet the tourism industry's need for bilingual and multilingual staff, including from within the local labour force.⁵⁷

55 Evidence, p. S15.

56 Evidence, p. S16.

57 Evidence, p. S16.

Conclusions

6.84 Just as there is a need to develop appropriate strategies for addressing the tourism industry's long-term requirement for tour guides who have well-developed language skills, there also is a need to develop strategies to address the requirement for bilingual and multilingual staff in other tourism related areas, such as duty free sales. Evidence from the Australian Duty Free Operators Association made it clear that the tourism industry's dilemma regarding the employment of people with adequate language skills is not confined to the tour guide occupation. This has been recognised by the Committee in its proposal to establish a broadly based working party to consider these matters across the tourism industry, as outlined in recommendation 38. Of particular importance is the need to develop strategies which will provide improved career paths within the tourism industry, so that more Australians with well-developed language skills are attracted to the various sectors of the industry.

CHRIS GALLUS, MP
CHAIR

August 1997

Appendix One

Submissions

Submission No.	Name of person/organisation
1	Mr Ian Bennett
2	Milner International College of English
3	Mr Robert Downey
4	Australian Duty Free Operators Association Ltd.
5	Riverland Horticultural Council Inc
6	Mr Russell Taylor
7	Lonely Planet Publications Pty Ltd
8	"Wirrilla" Pty Ltd
9	Darwin Region Tourism Association
10	Mr David Shiver
11	Northern Victoria Fruitgrowers' Association Ltd.
12	Queensland Japan Chamber of Commerce & Industry Inc
13	Inbound Tourism Organisation of Australia Limited
14	Mr & Mrs David Gooding
15	Ms Fran Ames
16	Global Exchange Pty Ltd
17	Sunraysia Ethnic Communities Council
18	The Visitoz Scheme

Submission No.	Name of person/organisation
19	Mr Michael Tabak
20	Ms Karin Wood
21	TNT Magazine Australia
22	Ms Helen Vine
23	Mrs Laurie Murphy
24	Mildura & District Harvest Labour Committee
25	Australia-Japan Society of N.S.W. (Inc.)
26	V.I.P. Backpackers Resorts of Australia Pty. Ltd.
27	Western Australian Tourism Commission
28	Townsville Enterprise Limited
29	NSW Backpacker Operators Association
30	Swan Hill Rural City Council Economic Development Unit
31	Australian Youth Hostels Association
32	Australian Government Health Service Commonwealth Department of Health and Family Services
33	International Exchange Programs
34	Riverina Area Consultative Committee Inc.
35	Mr Bernard O'Reilly
36	Mr John Murphy
37	Rural Enterprises Personnel Consultants
38	World Travellers Network
39	Childers Main Street Committee

Submission No.	Name of person/organisation
40	State Financing Group Commonwealth Department of Health and Family Services
41	YHA NSW Inc.
42	ELICOS Association Limited
43	Mr Terry Nixon
44	Ms Susan O'Keefe
45	The Southern Cross Times
46	Mr Jeff Jarvis
47	Mr Alastair Bourne
48	Mr Hiroshi Matsuda
49	Ms Kate Teasdale
50	Mr David Chambers
51	Australian Citrus Growers Federation
52	Department of Employment, Education, Training and Youth Affairs
53	Ms Jill Murphy
54	Australian Tourist Commission
55	Australian Chamber of Commerce and Industry
56	Travellers Contact Point
57	Mr Christopher Walker
58	Hotel Motel and Accommodation Association
59	McCafferty's Express Coaches
60	Bundaberg Fruit and Vegetable Growers

Submission No.	Name of person/organisation
61	Department of Immigration and Multicultural Affairs
62	Australian Taxation Office
63	Queensland Fruit & Vegetable Growers
64	Tourism Council Australia
65	Northern Territory Government
66	Captain Cook Backpackers Resort
67	Mr & Mrs P Norris
68	Ms B Creswell
69	Mr Christopher Walker (supplementary submission)
70	Department of Industry, Science and Tourism
71	Australian Council of Trade Unions
72	Confidential
73	Mr Sean Crowder
74	Mr Greg Tulau
75	Mr Neil Church
76	Mr Andrew Fernbach
77	Mr Luke Walker
78	Ms Lorraine Attard
79	Queensland Fruit & Vegetable Growers (supplementary submission)
80	Ms Fran Ames (supplementary submission)
81	Mr Eugene Orwell

Submission No.	Name of person/organisation
82	Mr Phillip Kelly
83	Confidential
84	Department of Foreign Affairs and Trade
85	Department of Immigration and Multicultural Affairs (supplementary submission)
86	South Australian Minister for Tourism
87	Confidential
88	Department of Immigration and Multicultural Affairs (supplementary submission)
89	Department of Immigration and Multicultural Affairs (supplementary submission)
90	Department of Employment, Education, Training and Youth Affairs (supplementary submission)
91	Department of Immigration and Multicultural Affairs (supplementary submission)
92	Department of Immigration and Multicultural Affairs (supplementary submission)
93	Department of Immigration and Multicultural Affairs (supplementary submission)
94	Department of Employment, Education, Training and Youth Affairs (supplementary submission)
95	Department of Immigration and Multicultural Affairs (supplementary submission)

Appendix Two

Exhibits

- 1 Documents provided by the Australian Tourist Commission:
 - (a) 'On the loose, backpacking deals around Australia', February 1995;
 - (b) *Australia Unplugged*;
 - (c) *Backpacking—It's a state of mind*, April 1995.
 - (d) press release on working holiday visas from GO Publishing Ltd, dated 22 February 1996; and
 - (e) press clippings on working holiday visas from *The Telegraph*, 2 March 1996; the *Evening Standard*, 6 March 1996; *The Times*, March 1996.
- 2 Various copies of *TNT Magazine*.
- 3 Documents provided by the Australian Youth Hostels Association Incorporated:
 - (a) Australian Youth Hostels Association 1995 statistics;
 - (b) 'Accommodation Guide 1995-96';
 - (c) Visitors Map of Australia; and
 - (d) *Hostel travel*, Winter 1996.
- 4 Information kit on the World Travellers Network.
- 5 Press clippings on fruit picking jobs, provided by the Bundaberg Fruit and Vegetable Growers.
- 6 Loker, L., *The Backpacker Phenomenon II: More answers to further questions*, Department of Tourism, James Cook University of North Queensland, 1993.

- 7 Documents provided by the Australian Taxation Office:
 - (a) 'Visiting Australia, A Tax Guide', August 1996; and
 - (b) Employment Declaration.
- 8 Department of Immigration and Multicultural Affairs, Employer Awareness Kit.
- 9 Information kit on International Exchange Programs.
- 10 Documents provided by the Northern Victoria Fruitgrowers' Association:
 - (a) pamphlet entitled 'A guide to your working holiday';
 - (b) correspondence on the working holiday program with the Minister for Immigration and Ethnic Affairs, Senator the Hon Nick Bolkus, dated 9 January 1996, and with Mr L K Bugden, Assistant Secretary, Entry and Humanitarian Policy Branch, Department of Immigration and Ethnic Affairs, dated 24 May 1996;
 - (c) leaflet on fruit picking jobs; and
 - (d) David Pullar and Associates and Comber Consulting, 'Harvest Labour Strategies', July 1995.
- 11 Documents provided by the Mildura and District Harvest Labour Committee:
 - (a) pamphlet entitled 'Help Harvest Mildura'; and
 - (b) map of Australia providing information on grape harvests.
- 12 Riverland Horticultural Council Harvest Labour Plan.
- 13 Tepper, G., 'Horticultural Development in the Swan Hill Region', Swan Hill Rural City Council—Economic Development Unit, December 1996.
- 14 Taylor, M., *A Traveller's Guide to the Australian Fruit and Vegetable Harvest*, HarvestOz Publication, Gympie, New South Wales, October 1995.

Appendix Three

Public hearings and other activities

Public hearings

2 September 1996	Sydney
3 September 1996	Sydney
26 September 1996	Brisbane
27 September 1996	Townsville
4 November 1996	Canberra
11 November 1996	Cairns
2 December 1996	Canberra
16 December 1996	Melbourne
17 December 1996	Mildura

Inspections

12 November 1996	Captain Cook Backpackers Resort, Cairns
	DFS Duty Free Store, Cairns
	Commonwealth Employment Service, Cairns

Workshop

3 February 1997	Canberra
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Appendix Four

Witnesses at public hearings and workshop

Witness/Organisation	Dates(s) of appearances
Individuals	
Mrs Frances Helen Ames	27.9.96
Ms Lorraine Ann Attard	11.11.96
Mr Neil Church	11.11.96
Mr Hiroshi Matsuda	26.9.96
Ms Jill Murphy former Senior Research Officer Bureau of Immigration, Multicultural and Population Research	16.12.96
Mr Lance Joseph Milton	11.11.96
Mr Eugene Orwell	11.11.96
Mr Christopher Kevin Walker	2.9.96
Australia-Japan Society of New South Wales (Inc)	
Mr Adrian Ahern Director	2.9.96
Mr Bruce Dureau President	2.9.96
Mrs Janniece Ann Sherry Administrator	2.9.96
Australian Chamber of Commerce and Industry	
Mr Brian Noakes Executive Director	16.12.96

Australian Council of Trade Unions

Mr Alan Matheson 16.12.96
International Officer

Ms Melissa Moore 16.12.96
National Industrial Officer
Australian Services Union

Ms Celia Pollard 16.12.96
National Industrial Officer
Australian Liquor, Hospitality and
Miscellaneous Workers Union

Australian Duty Free Operators Association Ltd

Mr Norman Charles Beavon 2.9.96
Chief Executive Officer

Australian Taxation Office

Mr Michael Ahern 4.11.96
Executive Officer
Legislative Services

Mrs Lesley East 4.11.96
Director
Superannuation

Mr Brian Eric Leonard 4.11.96
Assistant Commissioner
Individuals Program

Mr Christopher Mobbs 4.11.96
Assistant Commissioner
Client Support Branch
Individuals Non-Business Program

Australian Tourist Commission

Ms Margaret Hudson 2.9.96
Manager
Corporate Strategy

Australian Tourist Commission (continued)

Mr Graham Middleton	2.9.96
Project Manager	
Backpacker Tourism	

Australian Youth Hostels Association

Mr Bede Farrell King	3.9.96
Chairman	
National Executive Council	

Dr Margaret Deirdre McNiven	3.9.96
National Executive Director	

Bundaberg Fruit and Vegetable Growers

Mrs Dianne Kay Fullelove	26.9.96
Executive Officer	
Bundaberg Fruit and Vegetable Growers	

Captain Cook Backpackers Resort

Mr Peter David Schlothauer	11.11.96
Manager	

Department of Employment, Education, Training and Youth Affairs

Mr Warwick John Gibbons	4.11.96
Assistant Director	
Economic Migration and Analysis Section	
Occupational Analysis, Economic Migration and Research Branch	

Ms Joan Elizabeth Kennedy	4.11.96
Director	3.2.97
Economic Migration and Analysis Section	
Occupational Analysis, Economic Migration and Research Branch	
Analysis and Evaluation Division	

Ms Linda Anne Lipp	4.11.96
Assistant Secretary	3.2.97
Occupational Analysis, Economic Migration and Research Branch	

Department of Foreign Affairs and Trade

Mr Peter Maxwell Heyward 2.12.96
Director 3.2.97
Refugees, Immigration and Asylum Section

Mr Christopher Leslie Lamb 2.12.96
Legal Adviser

Ms Janet Patricia Spry 2.12.96
Immigration Desk Officer 3.2.97
Refugees, Immigration and Asylum Section

Mr Denis Kieran O'Dea 3.2.97
Immigration Desk Officer
Refugees, Immigration and Asylum Section

Department of Health and Family Services

Mr Peter Fisher 4.11.96
National Director
Australian Government Health Service

Dr Kathy King 4.11.96
Director
National Health Clearances Unit

Dr Cathy Mead 4.11.96
Head
National Centre for Disease Control

Mr Mark Alexander Burness 4.11.96
Director
State Financing Group

Department of Immigration and Multicultural Affairs

Mr Eric Brookbanks 2.12.96
Assistant Secretary 3.2.97
Business Branch

Mr Christopher James Dear 2.12.96
Director 16.12.96
Temporary Entry Policy and Operations 3.2.97

Department of Immigration and Multicultural Affairs (continued)

Mr Edward Victor Killesteyn	2.12.96
First Assistant Secretary	3.2.97
Overseas Client Services Division	

Mr Abul Khair Rizvi	2.12.96
Assistant Secretary	
Migration and Temporary Entry	

Mr Mark Anthony Sullivan	2.12.96
Deputy Secretary	3.2.97

Department of Industry, Science and Tourism

Mr Jeffrey Beeston	4.11.96
Acting Director	3.2.97
Industry Development	
International and Industry Development Branch	
Office of National Tourism	

Mr Michael Edwards	4.11.96
Acting Assistant Secretary	
International Tourism and Industry Development Branch	

ELICOS Association Limited

Ms Anna Ciccarelli	2.9.96
Council Member	

Ms Alyson Gabrielle Therese Moore	2.9.96
Deputy Chair	

Epsilon Research

Mr Richard Henry Carr	11.11.96
Principal	

International Exchange Programs

Mr David Graeme Sheehan	16.12.96
Director	

James Cook University of North Queensland

Mrs Laurie Elaine Murphy	27.9.96
Lecturer	
Department of Tourism	

Lonely Planet Publications Pty Ltd

Mr Richard Neil Everist	16.12.96
General Manager—Publishing	

McCafferty's Express Coaches

Mr John Edwards Osborne	26.9.96
National Sales and Marketing Manager	

Mildura and District Harvest Labour Committee

Mr Thomas Charles Crouch	17.12.96
Harvest Coordinator	

Mr Victor Ivan Dolenec	17.12.96
Chairman	

Monash University

Mr Jeff Jarvis	16.12.96
Program Coordinator	
Graduate Tourism Program	

New South Wales Backpacker Operators Association

Mr Julian Litton Ledger	3.9.96
Honorary Secretary	

Mr Justin Lynch	3.9.96
Member	

Mr Gregor Macaulay	3.9.96
Member	

Northern Victoria Fruitgrowers' Association Ltd

Mr Harry Stan Cornish 16.12.96
Labour and Training Coordinator

Mr Norman James Mitchelmore 16.12.96
Executive Director

Queensland Fruit and Vegetable Growers

Mrs Gilroy Bambrick 26.9.96
Queensland Fruit and Vegetable Growers

Mr Richard Newton Hassall 26.9.96
Economist and Government Policy Adviser
Queensland Fruit and Vegetable Growers

Queensland Japan Chamber of Commerce & Industry Inc

Mr Garth Victor Keppie 26.9.96
State Vice-President
Gold Coast Chairman

Riverina Area Consultative Committee Inc

Ms Peta Beelen 16.12.96
Executive Officer

Mr Darren Charles Hickey 16.12.96
Project Officer—Harvest Labour
MIA Council of Horticultural Associations

Mr Antonin John Maruskanic 16.12.96
Regional Manager
Department of Employment, Education,
Training and Youth Affairs

Mrs Patricia Alison Wilkinson 16.12.96
Senior Project Officer
Riverina Regional Development Board and
Riverina Regional Economic Development Organisation

Riverland Horticultural Council Inc

Mr Peter Bernard McFarlane Executive Officer	17.12.96
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Robinvale Table Grape Growers Association

Mr Allan William Anderson Chairman	17.12.96
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Sunraysia Ethnic Communities Council

Mr Matthew Victor Matotek President	17.12.96
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Swan Hill Rural City Council

Mr Garry Ian Tepper Executive Officer Economic Development	17.12.96
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TNT Magazine Australia

Ms Miranda Louise Herron Editor	2.9.96
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Mr Wayne Desmond Holmes Managing Director	2.9.96
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Tourism Council Australia

Mr Bruce Baird Managing Director	2.9.96
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Ms Narelle Henderson Human Resources Manager ID Tours South Pacific Pty Ltd	2.9.96
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Ms Pamela Gaye Sayers National Policy Manager	2.9.96
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Townsville Enterprise Limited

Mr John Domelow 27.9.96
Chairman and Director
Tourist Advisory Committee

Mr Warren John Gardner 27.9.96
Member and
Publisher, *Aussie Backpacker*

Mr Jeffrey William Hagen 27.9.96
Chairman
Backpacker Subcommittee

Travellers Contact Point

Mr Alan Collingwood 3.9.96
Managing Director

V.I.P. Backpackers Resorts of Australia Pty Ltd

Ms Janis Blanch 26.9.96
Manager

The Visitoz Scheme

Mrs Joanna Mary Burnet 26.9.96
Owner/Manager

World Travellers Network Pty Ltd

Mr Leigh Ellem Harris 3.9.96
Director

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