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Via Email

Submission to Inquiry on the Working Holiday Maker Program

To the Committee Secretary, Joint Standing Committee on Migration;

Thank you for the opportunity to contribute to the Inquiry into the Working Holiday Maker Program.

This submission is made for and on behalf of the Whitsunday Charter Boat Industry Association (WCBIA). The WCBIA is the peak industry body representing a multi-million-dollar marine tourism sector in the Whitsunday region of the Great Barrier Reef Marine Park. Our 23 members employ 525 staff and comprise day and overnight operators across the full spectrum of domestic and international markets, incorporating all types of marine tours, from boutique products to backpacker trips.

Comment to the Terms of Reference:

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

Historically, the Whitsundays' marine tourism industry has been reliant on a largely transient workforce, comprising a portion of overseas travellers, many of whom are Working Holiday Makers, or have been sponsored by their employers.

With the neighbouring area of Bowen being Australia's largest winter growing vegetable region, the Whitsundays is an ideal location for Working Holiday Makers to work and play. As well as their significance as employees in the marine tourism sector, WHM's are a major proportion of the clientele. The majority of the WCBIA fleet is between 80-100% internationally reliant, and a significant number of our operators cater solely to the youth and adventure markets, which these WHM's make up.

2. The value of the program to Australia's economy, including tourism, health care and agriculture sectors;

At its peak, the Whitsundays' marine tourism industry is responsible for 44% of all visitation to the Great Barrier Reef Marine Park, surpassing the city of Cairns, which accounts for 43%.



We carry around one million visitors per year into the Whitsundays' section of the GBR, which economists estimate has a value of \$6.4 Billion.

Airlie Beach ranks second on the list of Australia's most tourism dependent towns. One in four people are directly employed by tourism and that number increases to one in three when we factor in supply chains.

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

While JobKeeper is a fantastic program, allowing all our operators to keep a portion of their crew, many did not qualify, having been with their employer on a casual basis and for less than 12 months. WHM's are in this bracket.

Our operators now desperately need to re-employ but are finding that a large percentage of the casuals here prior to Covid-19 have now left the area. Bringing workers back to regional destinations comes at a cost, particularly when we find housing in short supply, and factor in the basic premise that costs to establish and live in the Whitsundays are expensive. Possible incentives in this area could be considered.

Ultimately, we need to assist and recapture those WHM's who had to leave the country due to Covid-19, as well as those whose time here has been affected by the pandemic. The solutions being sought are:

- To let those WHM's who left Australia return (potentially on new visas)
- Extending the visas of the WHM's who stayed
- Extending the entry windows for those existing visa-holders who have yet to arrive.

4. The potential economic impacts on regional economies due to the disruptions of access to Working Holiday Makers relied upon especially for the agricultural and tourism sectors; and the capacity, if any, for Australian's made unemployed by COVID-19 to fill the labour shortage;

The Whitsundays has always struggled with a very limited crew pool for marine tourism operators and the hospitality sector to recruit from. The transient nature of the industry means operators are constantly cycling crew. One of the Whitsundays' major marine operators has a staff turnover for the year of close to 25%. Another turns over an annual average of 16 staff to look after just one vessel. Others report cycling through similar numbers and looking for new crew approximately every two to three months.

There are very few Australian applicants for these jobs and while overseas applicants are generally found to be good, as soon as they become an asset, their visa dictates they have to move on. The impacts of Covid-19 have exacerbated this situation.



Crew positions such as 'deckhands' and 'hosts / hostesses' are considered non-skilled and have traditionally been affected by seasonality and perceptions around the type of work and pay. The requirement to spend time at sea, away from homes and families, particularly on multi-day tours, contributes to these types of jobs being unpopular with Australians.

Conversely, they are very attractive positions for Working Holiday Makers, who can enjoy time on the water in a beautiful part of the world in a unique hospitality and tourism role. This fundamental difference in attitudes is another factor that manifests itself clearly in terms of customer service.

Anecdotally, operators tell us that in the past it was easier to sponsor crew who began their association with the Whitsundays as WHM's. These sponsorships were overwhelmingly positive experiences across the whole business. An overnight operator might typically have only two or three sponsored overseas crew, with the remaining 80% of their workforce being Australian. However, these operators reported that just having that small core of great, motivated, sponsored crew, was found to lift the standard across the rest of the team.

It is our submission that simplifying and easing the criteria for sponsorship – perhaps via some form of exemption for the marine tourism industry, would be of incredible benefit. We believe this would lift crew standards, generate better customer experiences, create ambassadors with powerful 'word-of-mouth' and social media connections, and in turn encourage a return to increased WHM applications through the attraction of further opportunities to stay in Australia for an extended period.

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

Australia is no longer a competitive Working Holiday Maker destination due to the application fees and tax structure in place for 417 & 462 Visa holders.

Australia has one of the highest WHM Visa application fees - \$485AUD.

A reduction to more competitive rates would assist, for example:

- NZ - \$245 NZD
- Canada - \$255 CAD
- Countries within the EU – €99

Consider the cost for a young person from the UK who has to save for their visas, flights, initial accommodation and travel funds. Why come to Australia where the visa costs £267, when you could go to New Zealand where it costs £126.



We would suggest the Australian Government offers significantly reduced fees for our key source WHM markets, such as England and the UK, who have demonstrated their young people will use these visas for their designated purpose – i.e. to work and spend their earnings in Australia.

The current tax rate (up to \$37,000) for WHMs is 15% or 32.5% - and this is if working for an organisation not registered as an employer of WHM's with zero tax-free threshold. This means WHMs are taxed on the first dollar they earn!
Equal tax rights including a tax-free threshold of \$18,200.00 could assist.

At present, 417 + 462 Visa holders can only apply to access their superannuation after leaving Australia (DASP – Departing Australia Superannuation Permit). Once their application is approved, their superannuation is taxed at 65%.
A fairer tax rate on WHM superannuation and allowing access to super after completing the 88 days of specified work (i.e. before departing the country) may assist.

Countless reports of exploitation of WHM's by several working accommodation (farm-work) providers have impacted Australia's reputation as a WHM / youth market destination. Withholding deposits, charging exorbitant rates for over-crowded dorms, not delivering on guarantees of work and poor accommodation and amenity hygiene standards are all commonly reported by WHM's. A potential pathway through this might be an Inquiry into the conduct of check in/check out terms and conditions, hygiene, health and safety standards, and transparency of work availability.

Even pre-Covid, all of these issues had resulted in a decrease of WHM's and a dramatic decline in youth visitation across Australia. This decline is amplified in regional areas such as Cairns, Tropical North Queensland and the Whitsundays. The roll-on effect is lost revenue and lack of reliable labour to both marine tourism and neighbouring industries like hospitality and agriculture.

We understand 417 and 462 Working Holiday Visas are now down 67,000. Concern is building for the availability of labour and effects on tourism income yet to come. We may still be some time away from feeling the full and worst economic effects of the Covid-19 pandemic.

6. The extent to which the program can support economic recovery in regional Australia;

Improving our offering as a destination for WHM's would make the Whitsundays and Australia more appealing to this market. Broadening the current regional/farm work component to include jobs in the marine tourism and hospitality sectors – perhaps area-specific to places such as the Whitsundays, where the effects of Covid-19 are most keenly felt, would be a significant factor in recovery.



Lengthening WHM visas, extending the current age limits to 35 for key source markets and as suggested above, introducing a provision for workers to complete their regional component in the marine tourism and hospitality sectors as opposed to purely farm work, would all encourage a return of much-needed labour and tourism dollars to the Whitsundays' and Australia's coffers.

7. Any other related matters;

Further to the comments on sponsorship in Question 4, there would need to be a relaxation on the requirement for qualifications for such sponsorships. For example, the occupation of Deckhand (ANZSCO: 899211) is classified low-skilled and does not appear on any of the necessary occupation lists for sponsorship eligibility. Thus, employers cannot sponsor deckhands for an RSMS (Subclass 187) visa. Even a 'Travel Attendant' (NEC / Marine Steward / ANZSCO: 451799) is required to have either a Certificate III (including at least two years on-the-job-training), or alternatively a Certificate IV, or at least three years' relevant work experience (full time or part-time equivalent).

These criteria are virtually impossible for the overseas applicants most suited to our jobs to meet. Even under the short and medium-term schemes (which replaced the old Temporary Work /Subclass 547 visas), the occupations of deckhand and travel attendant are not listed.

There is however a precedent to follow – the fishing industry has a current Labour Agreement allowing employers to sponsor deckhands. Applying this precedent to the marine tourism industry in areas like the Whitsundays and Cairns would greatly assist.

Consolidating the Working Holiday Visa versus Work and Holiday Visa might also be of assistance in instances where some countries are easier to sponsor from through one but not the other visa type.

We recognise sponsorship issues are broader than the scope of the WHM program, which this is Inquiry is primarily about, however we submit there are obvious links between the two, and solutions to the situation created by Covid-19 that the increased ability to offer sponsorships could solve.

Anecdotally we hear that Dive Instructors are as hard to find as skippers, deckhands and other types of less experienced crew. Operators tell us there are many overseas instructors interested in working in Australia but these are typically over 30 so cannot qualify as WHM's.



In conclusion:

I trust that the above information is useful to the Inquiry and hope we can look forward to the adoption of suggested solutions to the challenges now faced.

Please do not hesitate to contact me if I can be of any further assistance and thank you once again for the opportunity to make a submission to the Joint Standing Committee's Migration Inquiry.

Yours Faithfully,



Sharon Smallwood
Executive Secretary
For and on behalf of the Whitsunday Charter Boat Industry Association (WCBIA)