



20 January 2023

To: The Hon Maria Vamvakinou MP

Chair Parliamentary Joint Standing Committee on Migration

Dear Ms Vamvakinou,

**Ref: Backpacker & Youth Tourism Advisory Panel (BYTAP) –
submission re Review into a Migration, Pathway to Nation Building**

I write to you on behalf of the Backpacker & Youth Tourism Advisory Panel (BYTAP) - the peak industry body representing the youth tourism sector.

a) Summary of submission

Working Holiday Makers “WHMs” (visa subclass holders 417 and 462) are a vital part of Australia’s temporary migration program, assisting with nation building, and that potential reforms to policy settings would maximise the benefits of the program.

b) Background

In a normal year, over 150,000 WHMs from nearly 50 countries would be in Australia on this reciprocal cultural exchange program. Currently there are just over 100,000 in-country, as the tourism industry continues to feel the after-effects of the pandemic disruption. It is essential therefore to plan for the short, medium and long term to revive this segment of the youth tourism sector, which was worth \$3.2 billion to the Australian economy each year pre-pandemic (source: Tourism Australia – see Appendix.)¹

WHM’s dispersal is especially critical in filling casual temporary jobs in tourism & hospitality in regional areas, supporting these industries to be able to operate at full capacity. They also assist with other types of regional work where there is high seasonal demand, including agriculture and au-pairing in areas where there is no other childcare options.

c) BYTAP’s position with regards to the Terms of Reference of the inquiry

With regards to Working Holiday Makers we note the following relating to the Terms of Reference:

¹ www.tourism.australia.com/content/dam/digital/corporate/documents/ta-whm-infographic-october-2021.pdf

<https://www.tourism.australia.com/en/insights/industry-sectors/youth.html>

Terms of Reference	BYTAP position
<ul style="list-style-type: none"> Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs 	<ul style="list-style-type: none"> Working Holiday Makers, as temporary migrants, arrive from their home countries into Australia’s major cities and usually start their travels in these urban hubs, contributing to economic growth in those locations. They also disperse widely throughout Australia, greatly benefitting regional communities. Recent research shows that 69.8% visited NSW; 64.2% visited Queensland; 60.7% visited Victoria; 27.6% visited WA; 24.2% visited SA; 19.3% visited the NT; 17.2% visited TAS and 16% visited the ACT (source: <i>Flinders University – Perceptions of Australia’s Working Holiday Maker Program 2019-2020</i> https://bytap.org/wp-content/uploads/2022/03/Perceptions-of-Australias-Working-Holiday-Maker-Program-2019-20.pdf)
<ul style="list-style-type: none"> Attraction and retention strategies for working migrants to Australia 	<ul style="list-style-type: none"> While noting that WHMs are temporary migrants, they are part of the longer-term solution and therefore are an integral part of this mix. Extending changes such as enabling them to work for 12 month with one employer would take significant pressure off employers (there is usually a 6-month maximum with a few exceptions; this was temporarily doubled until 30 June 2023 - https://immi.homeaffairs.gov.au/what-we-do/whm-program/specified-work-conditions) Consideration to be given to investigating potential pathways to more permanent residency in Australia for WHMs (particularly those with desirable skills/qualifications) – in the same way that international students have a pathway to stay in Australia post-study
<ul style="list-style-type: none"> Other related matters that may assist the inquiry 	<ul style="list-style-type: none"> Government to consider increasing the age limit to 35 for all participating countries on the Working Holiday Maker 462 and 417 visa subclasses (currently only a limited number of countries have the expanded age limit) Amend policy settings to offer former Working Holiday Makers who have returned to their home countries, and who still meet the age criteria, the ability to apply for a second visa Remove visa caps on countries identified as ‘low risk’ – see current status of visa caps here (some as low as 100 and quickly exhausted each year) - https://immi.homeaffairs.gov.au/what-we-do/whm-program/status-of-country-caps Remove the English language and tertiary level, and letter of support requirements from countries where it applies for the 462 Working Holiday Maker visa (as these are onerous imposts that are not evenly applied to all countries in the program and are not requirements under the 417 Working Holiday visa). Note - the ethos of the WHM visa is cultural exchange, and language is an important element of culture. Considerable research has

	<p>demonstrated that many WHMs state that “to improve my English skills” is a major reason to come to Australia. So, by imposing English language requirements, by default a large proportion of the potential market is being restricted. It is also not a reciprocal requirement for Australians travelling overseas on a WHM visa.</p> <ul style="list-style-type: none"> • Fast-track agreements with new countries such as Mexico and the Philippines which are well established in other markets that offer similar visa arrangements • Fast-track the Free Trade Agreement (FTA) visa changes with the UK (as this will incorporate positive changes to Working Holiday Maker visas for Britons - including an increase in the age limit to 35, and the offering of an initial three-year visa with no requirement for any specified work in any particular area to be undertaken to obtain this duration). • Consideration to permit Tourist visa holders to transfer to a 462 or 417 visa onshore. Currently applicants must leave Australia in order to apply.
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d) Alignment with recent governmental inquiries, initiatives and research

BYTAP is aligned with and supports the following recent key governmental inquiries, initiatives and research that includes consideration of the Working Holiday Maker program:

Inquiry, initiative or research document	BYTAP comments
<p>i) <i>Thrive 2030 Strategy – The Re-Imagined Visitor Economy</i> www.austrade.gov.au/news/publications/thrive-2030-strategy</p>	<p>Includes many recommendations regarding harnessing the opportunity that Working Holiday Makers present Note particularly that in the <i>Thrive 2030 Strategy Action Plan – Phase 1: Recovery 2022-2024</i> under <i>Priority 3 - Grow a secure and resilient workforce</i> there are several action items listed regarding Working Holiday Makers.</p>
<p>ii) <i>Reimagining the Visitor Economy – Expert Panel Report</i> www.austrade.gov.au/news/publications/reimagining-the-visitor-economy-expert-panel-report</p>	<p>Specifically, under ‘A Modern Workforce’ there is the recommendation to reform the Working Holiday Maker scheme to increase the pool of workers for the visitor economy:</p> <ul style="list-style-type: none"> • This should include increasing age limits to 35 for all participating countries (on a non-reciprocal basis if need be) • Fast-tracking agreements with new countries.
<p>iii) <i>Employment White Paper</i> - https://treasury.gov.au/consultation/c2022-322158</p>	<p>BYTAP’s submission on the White Paper arising from the <i>Jobs & Skills Summit</i> can be read here: https://bytap.org/bytap-advocacy-ahead-of-jobs-skills-summit/#respond</p>

<p>iv) Joint Committee on Migration’s Review into the Working Holiday Maker Program – https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Migration/WorkingHolidayMaker/Report</p>	<p>BYTAP supports the recommendations of this critical review (published in November 2020) – see https://bytap.org/bytap-supports-the-final-report-for-the-review-into-the-working-holiday-maker-program/</p>
<p>v) Flinders University – Perceptions of Australia’s Working Holiday Maker Program 2019-2020 https://bytap.org/wp-content/uploads/2022/03/Perceptions-of-Australias-Working-Holiday-Maker-Program-2019-20.pdf</p>	<p>BYTAP supports this extensive research report - commissioned and funded by Austrade - into the experience, and economic as well as social contribution, of Working Holiday Makers in Australia – see https://bytap.org/perceptions-of-australias-working-holiday-maker-program/</p>

In conclusion, we request that the role of the Working Holiday Maker program, and potential policy amendments to it, be afforded due consideration in this review.

I would be happy to elaborate further on the issues as required in person or by video conference.

Yours sincerely,



WENDI AYLWARD
CHAIRPERSON, BYTAP



The Working Holiday Maker (WHM) programme allows young adults from eligible partner countries to work in Australia while having an extended holiday. The purpose of the program is to foster people-to-people links between Australia and partner countries, with particular emphasis on young adults. It has been in existence since 1975.

THEIR VALUE TO AUSTRALIA

Working Holiday Makers are a valuable travelling segment. They tend to stay longer, spend more and disperse more widely throughout the country than other international arrivals (Source: IVS, CY19).



TOTAL LEISURE TRIP SPEND (SOURCE: IVS, FY19)



WHMS ARE AUSTRALIA'S 2ND LARGEST VISITOR LEISURE 'MARKET' BY EXPENDITURE

KEY WHM FIGURES



300,000
arrivals per year



250,000
jobs filled by WHM



\$3.2BN
spend for the calendar year 2019



\$1.5BN
contributed labour income to the Australian economy

1 AUSTRALIAN JOB IS CREATED

for every 10 WHM visas granted¹

1 IN 3 JOBS HELD BY WHMS

are in Australian regions.²

¹ Steen, A. Peel, V. (2015). Economic and social consequences of changing taxation arrangements to working holiday makers. <<https://researchoutput.csiro.au/en/publications/economic-and-social-consequences-of-changing-taxation-arrangements>>

² Value of Tourism White Paper, Deloitte Access Economics for Tourism Australia, 2021.

WHM SPENDING¹

The Australian tourism industry has benefitted greatly from WHM, both in terms of visitor numbers and overall trip spend, which in 2019 amounted to \$3.2 billion (of which \$726 million spent in regional areas). WHMs are identified as high-return tourists: they tend to spend more, stay longer, and disperse more widely throughout the country than most other visitor types.

HOW WHMS SPEND

Average trip spend	\$26,800
Duration on average	286 days (9.4 months)
Average top 3 expenditure	\$8,000 (accommodation), \$4,600 (food and drink), and \$3,300 (entertainment)
WHM Mobility	69.8% WHMs visited NSW, 64.2% WHMs visited Queensland, and 60.7% visited Victoria

¹ Flinders University, The Australian Experience: Perceptions of Australia's WHM Program, July 2021.
Note: the data in this section is from an individual Flinders University study and may have some discrepancies when compared to IWS data

WHM CONTRIBUTION TO CRITICAL AUSTRALIAN INDUSTRIES:

Working holiday makers contribute to filling significant proportions of jobs in important industries throughout the Australian economy, such as agriculture, tourism, health care and aged care.



14%

of farm worker jobs



8%

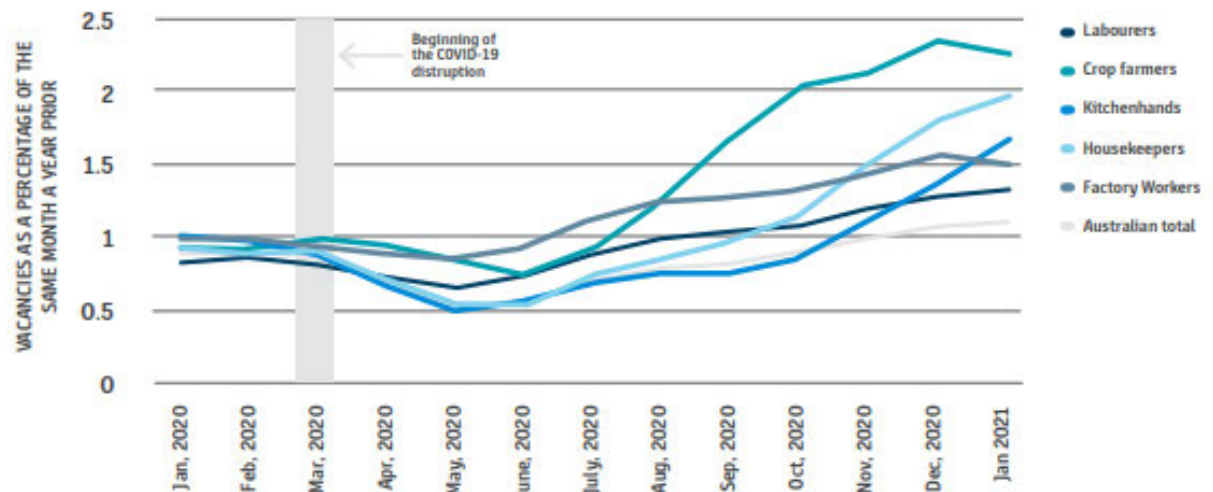
of hospitality jobs



80%

of the fresh produce sector's harvest labour workforce*

VACANCIES FOR OCCUPATIONS THAT TEND TO EMPLOY WORKING HOLIDAY MAKERS



Source: Report, 'The Value of Tourism for Tourism Australia, June 2021'

A SOLID OPPORTUNITY

#1

most desired destination for youth travellers is Australia (CDP, 2021).

#1

most considered destination to undertake WH is Australia (CDP, 2021).

#1

barrier to undertaking a WH is "Just never thought about it" (CDP, 2021).

#1

barrier to undertaking a WH in Australia (after COVID-19) is a lack of awareness (CDP, 2021).