



23 July 2020

Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600

migration@aph.gov.au

Dear Sir / Madam,

Submission to the Joint Standing Committee on Migration Inquiry on the Working Holiday Maker program

Central Highlands Development Corporation (CHDC) welcomes the opportunity to make a submission to the Joint Standing Committee on Migration Inquiry into the Working Holiday Maker (WHM) program. CHDC notes and supports the separate submissions made by 2PH Farms, FruitMaster and the Bowen Gumlu Growers Association.

Central Highlands Development Corporation (CHDC) is a not for profit organisation and the lead economic and tourism development agency for the Central Highlands region of Queensland, Australia. CHDC actively partners with industry experts, businesses, government and communities to drive growth, enable innovation, build capability and deliver economic outcomes.

We would like to address the terms of reference of the enquiry that relate to agriculture and tourism in the Central Highlands region and specifically the potential economic impacts on our regional economy due to the disruptions of access to WHM program.

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;

Home to 28,701 people, Central Highlands supports 17,019 jobs and has an annual economic output of \$10.564 billion. The mining industry sector makes the greatest contribution to economic output in the region (\$7.1 billion) and is the largest employer with 6,079 jobs which represents 36% of total employment within the region. Agriculture and tourism industries are also pillar industries for the region, worth more than \$1 billion and Tourism's total output being \$235 million in GVP annually to the Central Highlands' economy.

Most recent labour force information reports that only 2.53% of our residents are unemployed, looking for full-time work with a further 1.17% unemployed, looking for part-time work. Essentially Central Highlands experiences negative



unemployment conditions where open positions can't be filled during a long period of time. Rising wages can often be beneficial, however, the cost of employment (wages) is inflated compared to other regions for similar positions. This is extremely challenging for sectors who don't have the margins to compete in an inflated labour market.

We do not have enough unemployed people to fill the labour requirement for the region. In addition, our experience has been that seasonal nature of the work is not attractive to unemployed individuals from other regions who are reluctant to move to the Central Highlands without long term financial security.

The continued availability of WHM program and the Temporary Work (International Relations) visa (subclass 403): Seasonal Worker Program stream are critical for businesses in the Central Highlands to continue to function.

In the Central Highlands, tourism supports an estimated 1,207 jobs, which is 6.4% of total employment. The largest sub-sector in Central Highlands is Accommodation & Food Services with 826 jobs supported by tourists' expenditure. 1791 full time jobs (10.5%) are supported by Agriculture. However, these numbers do not include the significant contract workforce required at peak times of agriculture which more than double those provided.

Access to seasonal workforce, both WHM Visa holders and the Seasonal Worker workforce, is critical across a number of industries and sectors but most significantly for horticulture who employs more than 1400 seasonal staff at any one time for picking, pruning and packing per annum. Grains processors and cotton processors also have significant reliance on the visitor workforce to operate (around 300 staff in total). The Tourism sector relies on 120 seasonal workers or 10% of the workforce to operate at normal levels.

In the process to find solutions to staff shortages during COVID-19, one large exporting agribusiness reported that a third of their crop was at risk to being left to drop and rot. DAF and CHDC estimate this example alone to be worth around \$30 million in GVP.

Key tourism businesses have not been able to capitalise on the easing of restrictions and opening up of the Tourism Industry. This inability to meet the demands of visitors due to lack of staff is impacting negatively on customer service and visitor experiences in the Central Highlands region. These negative experiences will not only impact on current business activity, but will effect our reputation for coming tourist seasons

THE PURPOSE OF THE PROGRAM INCLUDING HISTORY, SIZE, COMPOSITION, ELIGIBILITY, AND RECIPROCAL ACCESS FOR AUSTRALIANS AND RECENT CHANGES.

CHDC strongly supports recent changes to the WHM program to address regional workforce shortages specifically the following:

- The increase from three to six months of the work limitation with each employer
- Expanded eligibility to include all primary industry work from seasonal work for the purpose of a second WHM visa
- Expanded criteria to support work in Northern Australia in aged and disability care; agriculture, forestry and fishing; construction; mining; or tourism and hospitality



- Eligibility for a second visa if Visa holders have completed three months of specified work in regional Australia while on their first WHM Visa.

For employers wishing to access this workforce, using the regional postcode as part of eligibility criteria has posed significant problems in the Central Highlands region. Postcode 4702 encompasses more than 80 Central Queensland localities spanning some 400 kilometres distance from East to West.

4702 covers many Central Highlands townships including Rubyvale (regional Sapphire-Gemfields town) and Carnarvon Gorge (prime tourism region with over 60,000 visitors per year). Both the Sapphire Gemfields and Carnarvon Gorge rely heavily on a seasonal tourism workforce but have reported experiencing postcode 'discrimination' because of sharing the same postcode as coastal localities such as Gracemere. 4702 also covers significant agricultural producing areas such as Gindie, Comet, Rolleston, Anakie and Dingo. The 4702 postcode also encompasses a mix of locations that are within the Australian Government mapping of Northern Australia, as well as those that are not.

Additional clarity on eligibility to remove simple postcode discrimination is required.

We note also and support the reciprocal nature of the program which is enjoyed by many young people from the Central Highlands who work and travel internationally with partner countries.

THE ONGOING IMPACT OF COVID-19 NATIONALLY AND INTERNATIONALLY ON THE PROGRAM;

In Central Highlands, prior to COVID-19 and the introduction of social lockdown measures to manage the pandemic, the total employment across all local industry sectors was estimated at 17,019. For May 2020, total employment is estimated at 14,471, a fall of 15%. The greatest decrease in percentage terms is the Accommodation & Food Services which fell from 1100 in February 2020 (pre-COVID-19) to 658 locally.

From extensive engagement with both agricultural and tourism industries, CHDC is concerned that our region is facing a severe shortage of labour availability.

Although WHM holders have had their visa extended, they will wish to go home as their holiday becomes simply work. Seasonal Workers have also spent extended times away from their families and will welcome the opportunity to return home. We are very concerned that there is a strong likelihood that these workers will not be replaced by new workers in the post COVID-19 conditions of increased health risks and restrictions during travel, as well as reduced and more costly air services.

Where there is an ability to secure and increase Seasonal Worker Program arrangements with countries who have not been exposed to COVID-19, this should be urgently pursued to mitigate labour force losses and visa entry from these countries made available once again.



THE EXTENT TO WHICH THE PROGRAM CAN SUPPORT ECONOMIC RECOVERY IN REGIONAL AUSTRALIA;

Beyond the obvious labour impacts and benefits already outlined, that WHM Visa holders provide for industry, they also contribute income to regional towns while working through expenditure on accommodation, food and recreation. The WHM program is a vital part of our tourism landscape and youth tourism is earmarked as the most likely visitor market to return to Australia from key source markets once our borders start to open. They can be strong ambassadors for regional tourism attracting family members and friends to join them, and through the use of social media channels.

The Central Highlands agricultural and tourism sectors will be significantly impacted by reduced access to the supply of labour. Any changes to temporary migration programmes, need to be carefully considered for their potential impact on the ability of industry to source adequate supplies of labour.

Yours sincerely,



Sandra Hobbs

Chief Executive Officer