

Agreement with Belgium on ‘working holiday’ arrangements

Introduction

- 5.1 The purpose of the *Agreement between the Government of Australia and the Government of the Kingdom of Belgium on ‘Working Holiday’ Arrangements* is to allow Australian and Belgian nationals between 18 and 30 years of age to stay in the territory of the other country for up to 12 months and undertake salaried work during that time, according to certain conditions.

Background

- 5.2 The Committee was advised that Australia has Working Holiday Maker (WHM) arrangements with 14 countries and is currently negotiating similar arrangements with another 12 countries.¹ The Committee notes the reference by Mr Phillip Thurbon to the 1997 recommendation of the Joint Standing Committee on Migration² that the Australian Government:

1 National Interest Analysis (NIA), para. 9.

2 Report of the Joint Standing Committee on Migration, *Working Holiday Makers: More Than Tourists*, August 1997 [recommendation 16].

actively pursue new reciprocal working holiday arrangements with other countries, taking into account the nature of Australia's relationship with the country, including current and potential cultural, social, trading and tourism links, the extent to which young Australians will have reciprocal opportunities to benefit from a working holiday in the relevant country, the overstay rate in Australia of visitors from that particular country and the likely impact which an agreement with that country will have on program numbers.³

- 5.3 The Committee understands that, for most countries with which negotiations on similar agreements are underway, it is unlikely that a treaty will be required for implementation. As with the Agreement with Belgium on the employment of diplomatic and consular dependants (see Chapter 4 of this report), the Committee was advised that a treaty arrangement is required by Belgium.⁴

Elements of the Treaty

- 5.4 The Committee was advised that this Treaty is similar to other agreements of its type:

We have a template. The Minister for Immigration has some mandatory benchmarks that we try to establish in each agreement ...⁵

- 5.5 The Committee was advised that this Agreement is aligned to the template, and that negotiations were relatively routine.⁶

Costs and benefits

- 5.6 The Committee understands that no direct costs are envisaged for the Australian Government. The NIA states that working holiday makers spend around \$1.3 billion annually while in Australia.⁷ The Committee was advised that:

3 Mr Phillip Thurbon, *Transcript of Evidence*, 18 August 2003, p. 8.

4 NIA, para. 8.

5 Mr Phillip Thurbon, *Transcript of Evidence*, 18 August 2003, p. 9.

6 Mr Phillip Thurbon, *Transcript of Evidence*, 18 August 2003, p. 9.

7 NIA, para. 10.

A recent study by the Melbourne Institute of Applied Economic and Social Research of the University of Melbourne showed that about 8,000 effective full year jobs are created by the annual intake of 80,000 working holiday makers.⁸

- 5.7 The Committee also understands that most of the money earned by working holiday makers in Australia is returned to the economy, reaching 'a broad cross-section', owing to the propensity of these people to travel widely and visit remote locations.⁹
- 5.8 It is hoped that after the Agreement has been in operation for a few years, there will be around 1,000 Belgian working holiday makers coming to Australia each year.

Coverage and conditions

- 5.9 The Committee notes that working holiday visas can only be granted once, regardless of whether work was undertaken during the period of stay.¹⁰
- 5.10 The Committee notes that Belgian holiday makers may stay in Australia for a maximum period of 12 months and will be able to work for no more than three months with each employer.¹¹ The Committee was advised that:

The rationale is that, with the working holiday maker arrangement, work is to be incidental to the holiday. It is a means to supplement other funds that they already bring with them to Australia.¹²

Medicare and health insurance

- 5.11 The Committee noted that the Treaty made no mention of the extent of working holiday makers' access to Australian services, such as Medicare. The Department advised that access to Medicare is generally not available to overseas visitors or temporary resident visa holders during their stay in Australia, although visitors from

8 NIA, para. 10.

9 Mr Phillip Thurbon, *Transcript of Evidence*, Monday 18 August 2003, p. 8.

10 Mr Phillip Thurbon, *Transcript of Evidence*, Monday 18 August 2003, p. 10.

11 NIA, para. 12.

12 Mr Phillip Thurbon, *Transcript of Evidence*, Monday 18 August 2003, p. 10.

countries with which Australia has a Reciprocal Health Care Agreement (RHCA) have restricted access.¹³

- 5.12 The Committee was advised that Australia is currently negotiating a RHCA with Belgium, but that until the completion of that agreement, Belgian working holiday makers will not be able to access Medicare.

Workers' Compensation

- 5.13 The Department of Immigration, Multicultural and Indigenous Affairs, after checking with the Department of Employment and Workplace Relations, confirmed that:

provided there is a formal employer/employee relationship the holder of a visa which provides work rights is covered by workers' compensation in accordance with relevant state and territory legislation.¹⁴

Implementation

- 5.14 The Committee understands that no new legislation is required to give effect to the Agreement in Australia, as working holiday makers from countries with which Australia has similar agreements are required to apply for a working holiday visa under existing migration regulations.¹⁵
- 5.15 Auxiliary arrangements for implementing the Agreement are set out in letters (which do not have treaty status) which define certain understandings about the operation of the Agreement, including employment, study and training limitations. The NIA states that these letters also provide details of the administrative process relating to the implementation of the Agreement.¹⁶

13 Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), *Submission*, p. 1.

14 DIMIA, *Submission*, p. 2.

15 NIA, para. 17.

16 NIA, para. 25.

Consultation

5.16 According to the NIA, States and Territories advised that they had no objection to ratification. The Committee notes with interest that during the consultation process, Queensland suggested incorporation of the Exchange of Letters into the Belgian Working Holiday Maker Agreement, and that:

While changes could not be made to this treaty, DIMIA has now amended its template document for all future negotiations so procedural matters will now be detailed in an annex to the relevant MOU or treaty rather than in a separate Exchange of Letters.¹⁷

5.17 The Committee is satisfied that adequate consultations have been conducted and that no adverse response has been received.

Concluding observation and recommendation

5.18 The Committee concurs with DIMIA's opinion that:

Australia's program of bilateral arrangements regarding working holiday makers ... enhances the cultural and social development of young people, promotes mutual understanding between Australia and other nations and is an important part of the tourist industry.¹⁸

5.19 The Committee notes that this view is also supported by the Queensland Government in its submission, which states in part, that:

Queensland has a thriving 'backpacker' component of its tourism industry. Bilateral agreements that facilitate and streamline arrangements for young people to undertake working holidays in Australia assists the development of this industry.¹⁹

5.20 The Committee also supports the view expressed by Mr Thurbon that:

[The Agreement] provides a range of cultural, social and economic benefits for participants and the broader

17 Consultations Annex (Annex 1), tabled with treaty text.

18 NIA, para. 7.

19 Queensland Government, *Submission*, p. 1.

community. Young people from overseas arrangement countries 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.²⁰

Recommendation 4

The Committee supports the *Agreement between the Government of Australia and the Government of the Kingdom of Belgium on 'Working Holiday' Arrangements* and recommends that binding treaty action be taken.

20 Mr Phillip Thurbon, *Transcript of Evidence*, 18 August 2003, pp. 7-8.