



COMMONWEALTH OF AUSTRALIA

JOINT STANDING COMMITTEE ON MIGRATION

Reference: Working holiday visas

SYDNEY

Tuesday, 3 September 1996

OFFICIAL HANSARD REPORT

CANBERRA

JOINT STANDING COMMITTEE ON MIGRATION

Members:

Mrs Gallus (Chair)

Senator McKiernan (Deputy Chair)

Senator Stott Despoja

Senator Tierney

Senator Troeth

Ms Gambaro

Mr Holding

Mr Kerr

Mr Martin

Mr Sinclair

Matter referred for inquiry 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 administration 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.

WITNESSES

COLLINGWOOD, Mr Alan, Managing Director, Travellers Contact Point, 7th Floor, 428 George Street, Sydney, New South Wales 2000	158
HARRIS, Mr Leigh Ellem, Director, World Travellers Network Pty Ltd, 14 Wentworth Avenue, Darlinghurst, Sydney, New South Wales 2010	193
KING, Mr Bede Farrell, Chairman, National Executive Council, Australian Youth Hostels Association, Level 3, 10 Mallett Street, Camperdown, New South Wales 2050	136
LEDGER, Mr Julian Litton, Honorary Secretary, New South Wales Backpacker Operators Association, PO Box 5276, Sydney, New South Wales 2001	172
LYNCH, Mr Justin, Member, New South Wales Backpacker Operators Association, PO Box 5276, Sydney, New South Wales 2001	172
MACAULAY, Mr Gregor, Member, New South Wales Backpacker Operators Association, PO Box 5276, Sydney, New South Wales 2001	172
McNIVEN, Dr Margaret Deirdre, National Executive Director, Australian Youth Hostels Association, Level 3, 10 Mallett Street, Camperdown, New South Wales 2050	136

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Present

Mrs Gallus (Chair)

Senator McKiernan

Senator Troeth

The committee met at 9.07 a.m.

Mrs Gallus took the chair.

KING, Mr Bede Farrell, Chairman, National Executive Council, Australian Youth Hostels Association, Level 3, 10 Mallett Street, Camperdown, New South Wales 2050

McNIVEN, Dr Margaret Deirdre, National Executive Director, Australian Youth Hostels Association, Level 3, 10 Mallett Street, Camperdown, New South Wales 2050

CHAIR—Welcome to you both. Mr King, do you appear in any other capacity?

Mr King—In addition to being the chairman of the national body I am the chairman of the Youth Hostels Association of Queensland and both associations are independently constituted. I am a volunteer member of the board of both associations.

CHAIR—The committee has received your submission and has authorised its publication. Before the committee asks questions on that submission, do you wish to make a short opening statement or make any amendment to the submission?

Mr King—To give you a brief background about youth hostels, and I have used the term generally, the Australian Youth Hostels Association was founded in 1939. It is a voluntary association. It is comprised of separately constituted associations representing each of the states and territories of Australia. In the case of the ACT, it is part of the New South Wales association but other than that, each state has its own separately constituted board.

The AYHA is seen as the national representative body of the state associations and through AYHA we are a member of the International Youth Hostel Federation which is based in London.

The aim of youth hostels in Australia is:

To help all, but especially young people, to a greater knowledge and understanding of their country and the world, particularly by providing hostels for them in their travels and thus to promote their health, education and recreation.

Each of the state associations are controlled by boards or councils. All of the members of those boards or councils are voluntary members.

Effectively, there are 130 hostels throughout Australia. In those hostels we record what we call 'bed nights', or the number of beds. We are unlike the hotel or the up-market accommodation industry; we count beds as one of our statistical elements. Last year, 70 per cent of the almost 900,000 stays recorded were by overseas visitors who represented some 60 countries.

Our hostels are not only in each of the capital cities of Australia but also in a number of major as well as minor towns and cities throughout Australia, ranging from

places such as Carnarvon and Broome in Western Australia through to Mount Isa and the Daintree in Queensland and Kangaroo Island in South Australia. They are very widely spread and quite diverse in the nature of benefits and facilities they provide to our bed night guests.

In addition to that, whilst we have the word 'youth' in our name, there is no age limit on people staying in our hostels or being members of the association. That is something which we are constantly having to reinforce throughout Australia and, for that matter, throughout the world. In fact, to address that issue, the new name for the association which is being slowly adopted throughout the world is Hostelling International, or HI, and the purpose of this is to help remove that barrier that is seen to be there by being called a youth association.

CHAIR—Yes, and hence the comments we made earlier about the senator and I being too old to go into the youth hostels.

Mr King—My response to that is that you are only as old as you feel.

Senator McKIERNAN—Thank you for that compliment.

Mr King—In addition to the benefits that we supply to our members as well as international tourists throughout Australia, we provide services to Australians particularly when they go to travel overseas. We produce an annual guide called *Going Overseas*, which provides detailed information for Australian youth wishing to travel overseas. It gives them an enormous amount of information to assist them when they are travelling overseas.

The purpose of supporting this inquiry and the recommendations that we have made to you is that we see that it falls into one of our goals, and that is preserving and expanding the reciprocal nature of the working holiday programs so that young Australians, when they wish to travel overseas, can enjoy the same benefits and opportunities that we believe the working holiday visas give to international travellers staying in Australia.

Recently I, as Australian Chairman, and the Vice-Chairman, Robert McGuirk, who is based in Melbourne, represented Australia at the International Youth Hostel Federation's conference held in Vienna. We were one of 65 countries that participated in that conference which was run over a period of five days. The international body is funded via the member constituents who contribute funds based on the number of overnights recorded in each of the respective countries by members of the respective youth hostel associations. In fact, Australia is the second largest financial contributor to the international federation, and this evidences the large number of foreign holiday-makers that stay in our hostels throughout Australia. The US is the largest financial contributor.

As a consequence, it places Australia in quite a unique position in that international arena because, firstly, we have been seen to be extremely dynamic and successful in marketing the country and the benefits of touring through Australia to international travellers, particularly in the youth market. Through that, we are generally well-recognised for dealing with a number of the commercial issues which are confronting the hostel movement internationally. In particular, the growth generally of the backpacking market in Australia and New Zealand as well has been quite phenomenal. It has not been reciprocated in Europe yet, however, the Europeans see that it is potentially going to happen. In fact, it is already happening in France. How we have dealt with that issue as the hostel body is something that they are wanting to learn from Australia.

Interestingly, a survey that was conducted internationally by YHF showed Australia and New Zealand as being the highest operators of hostels that gained significant compliments about the friendliness of our staff in hostels, the facilities that the hostels provide and the general atmosphere and ambience of the hostels that we operate, whereas the European hostels did not. Admittedly, the European hostel situation is somewhat different. They are heavily geared towards group bookings, as opposed to the Australian-New Zealand situation which is very much linked to the independent traveller. So, that is something they are going to have to deal with.

In addition, Australia has been quite active in the international forum, not just as a financial contributor. The international body established a hostel in Bali a number of years ago and our contribution to that was to provide individuals to go up who assisted in establishing that hostel and then subsequently getting it up and running by going in and training staff. In fact, the National Treasurer of AYHA, Mr Michael Taylor, who is based in Darwin and is the Northern Territory Chairman, was only up there about three months ago, again conducting training courses for the staff at the Bali hostel.

We have recently extended an invitation to the Taiwanese Youth Hostel Association which is the recipient from the Taipei city government—effectively the mayor's office—of a former railway administration building which is going to be converted into a hostel. Mike Taylor most likely will be going—we have offered his services there for about three months to train staff in about three of their hostels. We see that as a positive way of making a contribution, probably a far more positive way than providing them funds to do it. Mike will get down to the extent of actually showing them how to mop a floor, which you may think is strange but it is something that has to be done because it comes back to basically the standards of the hostels and what people are expecting.

In addition, one of the benefits of being in the international body is that it has established a service known as IBN, which stands for the international booking network or international bed network, and it allows a member to go into any membership office throughout the world and book a bed in a hostel somewhere else in the world. There are a number of conditions. The hostel which they wish to book in must be a major gateway

hostel or a destination hostel, something like in any of the capital cities in Australia, as well as Cairns and a number of other major tourist destination facilities. That applies throughout the world. It is something similar to the facilities provided by the Sheraton or any of the international hotel groups.

In Australia, we have got quite significant benefits that we can provide particularly to member associations throughout the Asian region. We are seen by the international association as being part of Asia. Interestingly, they also see India and Pakistan as being part of Asia as well. However, Australia and New Zealand particularly are keen to develop a stronger network of youth hostel associations throughout Asia. By having a strong national association, that then flows through to having strong and healthy hostels which are then available to our members and other country members to use when travelling throughout Asia.

To that end we are in the process of organising a conference to be held most likely here in Sydney next year after the opening of Sydney Central Hostel, which is being built at the moment directly opposite Central Railway Station. When that is complete, I believe it will provide the largest accommodation facility in Australia of something in the vicinity of 580 beds. You will be able to stay for something like \$15 a night directly opposite Central Station, half a kilometre from Darling Harbour, and in very close walking distance of or access to public transport services within Sydney. Conference invitations will be extended to respective country board members and executive officers. Hostel managers will be invited to come to Australia to visit and inspect a number of our hostels to get a greater understanding of how the hostel system operates in Australia—how hostels operate on a single basis—so that information can be taken back and used within the Asian network.

CHAIR—Mr King, I am just a bit concerned that we might run out of time for questions. So if you could just draw those comments to a close, we will move to questions.

Mr King—Generally, our recommendations on a number of the current requirements imposed on the working holiday makers are: that the application should be made at any location, rather than be limited to their home country as it currently is with the exception of a number of situations; that the length of the visa be increased so that it gives greater flexibility to the applicant, because one of the big things that the young backpacking person wants and needs is flexibility; that the minimum period of employment be lengthened or, for that matter, completely omitted which in turn allows the employers flexibility in their situation; and there be no restrictions on the number of visas issued. That, again, comes back to the matter of flexibility and we would also see it reducing some of the costs associated with the operation of issuing visas.

We also recommend that some sort of a condition be imposed when the visa is issued so that, if the superannuation contributions are not claimed within a fixed period,

those funds go back to consolidated revenue or into a fund which can be used to develop tourism throughout Australia. And increasing the number of visas will allow other countries to reciprocate and provide similar benefits to Australians wishing to travel and work while they are overseas. To that end, Youth Hostels Australia are happy to assist requesting countries to provide reciprocal rights to Australians via the International Youth Hostel Federation and the close links we have there. Thank you.

CHAIR—Thank you very much and thank you for your submission which is beautifully set out and very clear in what you have aimed to do. If I can start with a couple of questions, you say very early on in your executive summary that the working holiday maker program assists to overcome regional labour shortages. Now, the purpose of the working holiday visa is for young people to be able to travel in Australia as tourists. It was not intended to overcome any labour shortages in Australia. Could I suggest to you that maybe there is a problem there if it is being used in that way, because we are using labour from other countries to stop us overcoming a problem in our own country. We are not training our young people to fill those positions, if we can get the labour from another country. And, as a country with very high youth unemployment, this is probably not what we should be doing. Could you comment on that?

Dr McNiven—Perhaps it is the choice of words. I am sure you have not seen everything we sent, and when you look at the map and see the triangles where the hostels are located you will see that the vast majority are outside capital cities and urban areas. And the shortages we are referring to are, for example, in the MIA for fruit picking et cetera in that area and for casual seasonal work where there would be a shortage such as in Darwin where, as you heard yesterday, there are just not enough people to wait on tables and clean hotel rooms for the four- to six-month tourist period. In fact, everyone in Darwin seems to be from somewhere else—I am sure you will find that out when you are there. So the labour shortage I see as being seasonal and casual.

I was drawing on the work of Jill Murphy and you have that book there. Any statements we make about the impact on the work force are drawn from that data. Could I explain that I have been with the Australian Youth Hostels Association for five weeks. However, I certainly know from our hostel managers that they will see critical shortages in areas. We say elsewhere in our submission that local employers, typically farmers, will actually come out to the hostels and put a notice up saying, for example, ‘Work available for the next three days’. They will say, ‘I have tried in town and I cannot get enough people.’ Then they come out to our hostels to pick up who they can. It is very casual, very last resort.

CHAIR—In your hostels you would have the working holiday makers, but you also have young Australians who are travelling around the country. Do you find when there is seasonal—

Dr McNiven—They pitch in too—

CHAIR—So the young Australians do just as much—

Dr McNiven—It is the time honoured ‘working your way around Australia’—you are networked to go right around Australia. So it is not looking for foreign casual workers; it is just looking for casual labour.

CHAIR—But I guess what I am asking you is if you have noticed any reluctance by young Australians working their way around Australia to do these harder jobs and a greater keenness by the international visitors?

Mr King—I do not think we have any figures to support either view, unfortunately. The situation seems to be that hostels are seen by employers as somewhere where there is a pool of young people and as somewhere where they are able to go—as Margaret McNiven says—and put a notice on the noticeboard calling for people who wish to work for two or three days, and that is all it may be. The sort of work these people are undertaking is only for short periods of a number of days. The position is not permanent enough to create a full-time position or support an individual for an ongoing period to the extent of saying that that effectively is taking the job that a young Australian could otherwise take.

CHAIR—Later on in your submission, though, you do recommend that the length of time of working of three months be lifted and also that the length of time that the visa extends to be two years. So if you had that situation—the two years—plus you did not have the limit of three months, what about the situation which arose yesterday—and I am not sure if you were there or not, Dr McNiven—when the duty-free shop people were here and they said that they are using the international visitors in the duty-free shop. Of course, they said they would like the three-month limit lifted as well.

Are you going to get the situation where people are just using international visitors because there is no restriction for a long period of time and just replacing them over and over again with international visitors who speak these languages and therefore cutting young Australians out of that market?

Dr McNiven—If I could separate those two issues, on the length of the visa, we gave the example that Mr Martin’s daughter is in the UK right now and that she can be there for a total of two years and can work any of 12 months of that time. What we are looking for is reciprocity for young Australians, and we come back to that as that is really our perspective. We have not got a fixed idea of how long a visa should be, but it certainly would be the support of our national council that you should lengthen the visa so people can travel more, not work more.

But, then, looking at the time they work for any one employer, our perspective is to let the employer decide how long they need to keep that person. So there are two parts in the visa: how long is it for and how long can you work for—and how long you can

work for each individual employer. Certainly, our guests with the international hostelling network are here to travel, so we might be seeing the most mobile of the backpacker market and they are here to travel and they are passing on. They are not staying in our hostels for months and months. We know they keep moving. That is what we see. I cannot speak for the whole backpacker industry, but we know our part.

CHAIR—Can I leap from what you said there into the other thing which you are obviously interested in and that is the young Australians overseas. What about the young Australians who go to countries like Japan where they actually take a job with a six-month contract and they sign a six-month contract, and then at the end of the six months they are presented with another contract at the same place for six months? It is my understanding that quite a high proportion of young Australians do take that up. What is your opinion on that, because I would presume that does restrict their travel in Japan somewhat if they are going to work for the same firm for the 12 months that they are there.

Dr McNiven—It sounds like it is an individual opportunity, and if that is all right in terms of the Japanese temporary working visa, in terms of the young Australians going, I think it is a great opportunity for learning the language and culture and for the ties they will bring back.

Mr King—My family has some experience with this. My youngest sister is currently in Japan working. She is a preschool teacher teaching English to preschool children—believe it or not in the foothills of Mount Fuji. She is on a contract longer than six months, but certainly on weekends she gets to travel, from what I understand. She travels home to Australia once each year. She is now completing her second year.

Senator McKIERNAN—Is she on a working holiday visa?

Mr King—I am not sure of the terms. That is why I qualified it: it is longer than a six-month period.

Senator McKIERNAN—That is very important in terms of this particular inquiry. We are looking at a unique visa class.

CHAIR—I think Mr King might have been making the point that, even though she has the one job, she does travel at the weekends which, I guess, relates to my previous question. You are not restricted from travelling just because you have the one job. Is that the point you were making?

Mr King—That is right. It is the nature of the individuals who are going and visiting. I will come back to the senator's question that the purpose of the traveller coming to Australia is not to work and earn a lot of money. It is to travel and to see the country. To do that they need money. They arrive here with sufficient to get them into the country and to cover a period of a few months because that is the period they have to stay here to

see Australia properly.

They find, after a period, that Australia is everything they thought it was, if not even better, and they really should stay for longer but, to do that, they need some more money. They live extremely frugally. They pay a minimal amount for their accommodation—under \$10 once they get into the rural and smaller country towns. For example, in Cairns I think they pay \$12 a night for a bed, but they spend several hundred dollars in a day on reef and dive tours, the rainforest trips, the Daintree, bungee jumping and all of those things. They will spend a lot of money. I am sure the amount of money that backpackers contribute has already been dealt with.

To do that, a lot of them need, after they have got here, to earn some more money in order to extend their stay. It comes back to the big thing of the flexibility issue for single independent travellers. That is why we say to lift the restrictions that are there now because it gives them greater flexibility to work. It may be even a couple of days a month somewhere, and then they can move on to another location. It addresses that and, at the same time, it gives the employers flexibility as well.

We have given the example in Cairns where we have, in the past, employed Japanese speaking Australians to assist in providing services to Japanese guests in our hostels, and it has just not been as successful as employing Japanese nationals to provide those—

CHAIR—Could you expand on that: what exactly happens? You employ an Australian national who speaks Japanese to look after people in the youth hostels and what goes wrong?

Mr King—It is not so much what goes wrong. I do not think it just applies to the Japanese. All individuals feel more comfortable when dealing with someone from the same country of origin and I think that applies to every nationality. I prefer dealing with an Australian where I can. The Japanese, in particular, in the situation in Cairns find it more comfortable and easier to relate to a Japanese person who has some experience in travelling through Australia, who is able to give them confidence, and who can assure them that they can go off and do the things they would like to do but have doubts about because they have only read about it. It is one thing to read about it and another to go and physically do it. They have confidence if they can have someone from their own country say to them, ‘Yes, you can do it; it is safe; it is comfortable; you will enjoy it; and it is a lot of fun.’

CHAIR—We are trying to open up this market. Let us say that you have a Korean, a Taiwanese, a Thai and somebody from Malaysia. When you have all these nationalities, you are not going to be able to put on somebody from each of these language groups so that the travellers can relate to people from their own country of origin? In the end, you are not going to be able to achieve this anyway.

Mr King—It comes back to the numbers. As an example, the number of young Koreans now travelling has increased dramatically in the last five years by a substantial percentage. That we are now getting large volumes of Koreans coming through is something that we are looking at addressing; that is something that we should look at doing. By having that flexibility, it may be that we can track these people as they come through the system, through the network, that we have got. We will know when there is a large group of Koreans coming through—and that is usually how they are coming at the moment—and we can say, ‘All right, there’s going to be 20 Koreans staying in Cairns three nights next week.’ By having this flexibility, we can go and, if possible, recruit a Korean and employ that person for those nights that that group is going to be there and address that.

CHAIR—Let me push you a bit further on that. Say I went to Beijing—I have never been there—and I am given a Chinese tour guide who takes us around in a group. There seems to be some experience that you have by having that Chinese tour guide. She or he speaks English, gives you a flavour and gives you very good information at the same time, and from what I have heard and seen from people who have come back they have developed extremely strong relationships with their tour guides, and in fact have kept up correspondence with them. That has been part of the experience—the closeness they have got to a Chinese national who spoke their own language, interpreted for them and gave them the sense of security you are talking about but also a flavour of the country. Isn’t that part of it?

Mr King—That is slightly different. The guides that you are talking of in that situation I would imagine you see from dawn till dusk. They are on the bus when they pick you up at 8.30 in the morning in the foyer, and they are there until probably after dinner at night. You literally eat up to three meals a day and you are seeing them constantly day in and day out. That is how you develop that rapport in that relationship with those individuals.

I have been on tours in Korea like that. But we are not talking about guides in that sense. These are people that are sitting in a static position behind a travel information desk in a hostel in Cairns and, other than giving general information, these are free and independent travellers. They want to do their own thing; they want that flexibility. So they are not living and breathing the same air for those periods of time that they are spending in Cairns with that guide. So the people they are employing in Cairns we do not see as guides; they are more providers of information and assistance to those individual travellers.

Senator McKIERNAN—I approach this inquiry somewhat differently to a whole number of other people who have made submissions to the inquiry. I approach it supportive of the working holiday maker visa program and understanding that there is in place a system to issue visas to people who want to come and study in Australia by way of a student visa, to issue tourist visas to people who want to visit just for tourism reasons and to issue visas to people who want to work. There is a labour market agreement in

place and there are employer nominations in place. I think the working holiday maker visa program is a very special one. I do not see why it should be used as a labour market program.

You have put to the committee, by way of your submission, that the three-month restriction ought to be extended. I put it to you—and ask you whether you refute it—that if we extend the three-month limit you would then be using the working holiday maker program as a labour market program, which would lead ultimately to its downfall, if we accept your recommendation. How do you refute my assertion?

Mr King—The evidence in so far as the Australian Youth Hostel situation is clear. We are not a major employer of people holding working holiday visas. New South Wales is an exception to the rest of the country. We are a not-for-profit organisation. We run things on a very tight cost operation. That is all we can do, because you need a hell of a lot of people to stay with you if you are only charging between \$8 to not even \$20 per night to provide the facilities we do. The most recent hostel built in Australia—purpose built—is in Brisbane. It is an extension to the existing facility there. It cost us \$1 million, the building alone, to provide accommodation for 60 people. It is an expensive process to provide a hostel and it is not much cheaper than when you go into the up-market hotels. They just add various things to it.

However, it is pointless for us to employ working holiday people because we have got to train them to the systems that we have in place, which are rigorously enforced, not just on a state basis but nationally as well as internationally. There is a system. There is an international set of hostel standards which must be adhered to throughout the world in order to participate in the IBN network, as an example. We cannot afford to keep training new staff as they come and go. It is important for the association and it is a priority that we have that we provide an internal training program for Australians working in the hostel situation. We have hostel managers in Queensland who started in Victoria or in the ACT and they want to move interstate for education, for a whole lot of reasons. Employing people with working holiday visas has very short-term benefits. We cannot afford those, we need the long-term benefits. We need to be able to give Australians a career in that type of accommodation facility. We see it as an expanding and a large market and it is important to develop that career. We cannot afford to be training people every six months or something like that.

Senator McKIERNAN—Are you getting a pool of cheap labour by using the working holiday makers?

Mr King—We do not see it as, in your words, a labour market program. We see that it provides some benefits for us that at the end of the day we see by providing this to—

Senator McKIERNAN—Sorry, but you are evading the question. Are you getting a pool of cheap labour by using working holiday makers in the way that you use them?

Dr McNiven—No, they are paid exactly the same as hiring an Australian to be an assistant at a hostel.

Senator McKIERNAN—How much is that?

Dr McNiven—I am sorry, I do not know, but I can get back to you on that.

Mr King—I do not have that information either.

Senator McKIERNAN—Your industry is somewhat seasonal, but it is not seasonal in the same way as fruit-picking is seasonal. Am I correct in that assertion?

Mr King—No, that is different across Australia. As an example, Darwin has the wet and dry. Cairns, the peak of summer is not—

Dr McNiven—Tasmania is barely—

CHAIR—Except the winters are not too good.

Mr King—As an example, we are coming out of winter. Tasmania I think has had arguably the worst tourist figures on record. I do not know what the contributing factors for that are, but we are finishing winter and they are appalling figures.

Senator McKIERNAN—Taking that earlier question on notice about the rates, perhaps you could give the committee some indication of the number of permanent employees that you have—the number you have had over a 12-month period, the number of seasonal Australian employees that you have had, and the number of working holiday makers. I do not want to know about backpackers as such.

Dr McNiven—I have actually got the data in my bag.

Senator McKIERNAN—I suggest that you, like some of the other people who have made submissions to us, have mixed up the working holiday maker with the backpacker market. I think, from the figures we have been given, that working holiday makers are only about 20 per cent of the total backpacker market. In putting so much emphasis on working holiday makers you are actually to a certain extent forgetting about that 80 per cent of the others who come here who are not here for 12-month visas.

Dr McNiven—I do have the data. Yesterday the Tourist Council of Australia mentioned they had surveyed employers, so I did collect data on the hiring of working holiday makers at our own youth hostels. The example in Cairns that Mr King has given is in fact an exception for Queensland because the hiring, and it is in our submission, of the one Japanese hosteller to get and provide information on tours operations—how do you make the connections, how do you book ahead—is only for that three-month period.

We are just regretting that we did not have an opportunity to make it a little longer. If it is a longer lasting season in Cairns, that is one person for those three months, that is a quarter of a person, full stop, that is hired there.

How it actually worked was not only to help the guests, but the native speaker, the Japanese-appearance person, at a hostel increased the number of Japanese hostel guests coming to our hostel. It actually helped us do a little better.

Senator McKIERNAN—But that is not the end of the program, is it? The working holiday program is not in place to do that, is it?

Mr King—We employ over 100 people in Queensland. That is the sort of information you are looking for. There is one person or one position as opposed to over 100 within that state.

Senator McKIERNAN—The point I put to another set of witnesses yesterday is there are labour market programs in place to deal with those employment issues like you have just raised now. The evidence you have given us now would be very convincing to me, were I in a position to be handing out a labour market agreement visa. I personally would not accept that argument when I am handing out a working holiday visa, because working holiday-maker visas are for a different reason. That is why I made that explanation earlier in the piece. Do you understand where I am coming from?

Mr King—I can.

Dr McNiven—I would say it is optimistic.

Mr King—Is it practical to put a labour market contract arrangement into place for an individual just to do something for a three- or four-month period?

Senator McKIERNAN—If it is protective of some people from exploitation, yes. And I do believe that some working holiday-makers have been exploited in Australia. Yes, most definitely it is. If it is also going to protect jobs for Australians—I want to ask some questions about that, and I am aware that I have taken some time, Chair—yes, I do believe it is important to do that.

On the matter of jobs and protection of jobs, you are pretty assertive in your submission that a working holiday-maker program has little impact on jobs and you have used Jill Murphy's survey from the BIMPR to substantiate your claims. Murphy's research was done at a period of time when there were almost 30,000 people coming in under the working holiday-makers program. This financial year it is going to go up to 50,000. Do you think that will have a larger impact on the labour market program?

Mr King—It appears that about a quarter of the visas issued are not taken up, are

not used. Whether or not that appears to be a recurring figure, if that then continues, then potentially you have still got a quarter of that 50,000 not being used. At the same time, that increase is probably supported by the general increase in tourism into Australia. As tourism into Australia is increasing, surely there seems to be a correlation in that the number of working holiday visas increases at the same capacity because there are still the same sort of demands for the benefits and services that the working holiday visa is aiming to address.

Senator McKIERNAN—I am not understanding the response you have given me, for this reason: there is a cap now in place on working holiday-maker visas. Secondly, I asked you about the impact on the Australian labour force from the issuance of working holiday-maker visas, whereas this research that said it had minimal impact upon it was done at a time when there were fewer than 30,000 visas to be issued. One would assume that if 25 per cent of people do not take them up and do not use them, that would continue to 50,000. There has been an enormous increase in the number of visas issued and there are people in our community who now assert that working holiday-makers are taking jobs away from Australians and that, if we bring in almost twice as many, there will be almost twice as many jobs being taken away from Australians.

Dr McNiven—I think we said in our submission fairly clearly, relying on Murphy's research, that the type of work that is done is seasonal and casual work. So we are saying that it is the proportion, an increasing number of visas. If it is static, about 75 per cent of people with a visa do work—and they do not all work full time—and that the type of work will continue to be the same. It did not appear to be, from the employers' point of view and from Murphy's research, that they were taking jobs away from Australians, because they are not permanent jobs. Our experience anecdotally from our hostel managers is that employers come out to the hostel with a few days casual work when they cannot get anyone in town. So we are relying on what our 130 hostel managers tell us.

When hostellers stay with us, we do ask for the passport of the country from which they are visiting. We do not ask them what type of visa they have. They could be a uni student, backpacking between uni years, or they could be a working holiday maker.

I would like to table our guest statistics for the last two years. What we do notice is that we have almost as many from South Korea as we do from Ireland, but those are the working holiday maker visa agreements. We actually have more guests in those countries, so I cannot say we have more working holiday makers at our hostels. It is possible, because of our location and because of our price, that more of them are travelling through our network. Having the agreement of a working holiday maker with those countries possibly has a flow-on. We have many more from Denmark than we do from more popular Scandinavian countries such as Sweden. I think that the holiday maker agreement just makes us a friendlier destination.

I will table these statistics. The first page is by all the countries in our international hostelling group of countries. These are other countries. Malta just came on line in the last year. So by the time they are our guests we know what country they are from but we do not know their visa status.

Senator McKIERNAN—That is another issue that we are looking at. Would it help your organisation if you knew whether a person had a right to work or a right not to work? Does that cause difficulty to you, where you get—

Dr McNiven—We have to seek proof that they have a right to work. Our managers are very strictly trained on that. They need proof that they have a right to work—the proper visa papers.

Senator McKIERNAN—That is the few people who actually work for the—

Dr McNiven—Very few, yes.

Senator McKIERNAN—You act as somewhat of an employment exchange in the sense of the notice boards and things?

Dr McNiven—Yes. I heard those in Tasmania two weeks ago, and they said informally that that is definitely the case.

Mr King—I do not know how recognised that is. I think it probably comes down to individual employers' experience where they have been successful. They could go to a hostel, for example, in the Riverina area. They might not have anybody there at the time and they are looking for somebody. I do not know whether it is fair to call us a labour exchange. We do not see that as a service that we are providing.

We are really providing an inexpensive accommodation facility. We are providing a world recognised network of accommodation throughout Australia which allows families to leave messages for their children to collect as they are travelling through Cairns. That is the notice board system. That is one of its biggest uses, in fact—the number of people whose parents are looking for children. They just send messages through to the national office, and that gets sent into Cairns. There will be three or four hostels, and the same message will be waiting for their child. That is one of the big things a lot of families place enormous importance on, and there is a benefit to them of knowing there is this network.

Dr McNiven—Two weeks ago I was faxing messages from a parent here in Australia to all the British Columbia hostels, to try to find a kid there because there had been a death in the family. So it is a notice board, that is all it is. The local employers are the neighbours of our hostel, too. So some of that is community give and take.

CHAIR—Senator Troeth has some questions, but if I can divert just for one second to this piece of information you have given me, which is totally nothing to do with the inquiry but something that hits me. In the Australian Youth Hostel Association's overnight stay, recorded by countries, your lowest rating state is South Australia, which only gets 1.94 per cent of the total.

Dr McNiven—Can I read that again?

CHAIR—It is in keeping with everything I have heard. Why is it so?

Dr McNiven—If you see the distribution, the hostels central Adelaide, and then they have this beautiful Heysen trail—it is quite rustic—for those who want to bushwalk through the hills. It is quite exquisite. They do not have a large number of hostels. The international visitor patterns are that the bulk are going to be in Queensland and New South Wales, and it is a lot of effort by Victoria, Tasmania and South Australia to get people to turn right and to continue down. In fact, there is a cooperative program. The two tourism commissions in Victoria and Tasmania are doing that and YHA is going to help them with it.

CHAIR—It has obviously been more successful than South Australia. Yesterday, the people from *TNT Magazine*—the backpackers magazine—said that South Australia is regarded simply as a transit point and they only stay there for one night.

Dr McNiven—Or go up and down on the Ghan.

CHAIR—I was just wondering if you had, from your extensive knowledge of the industry, any idea of why this is so or how it can be changed. I know that is not our brief today, but as a South Australian I have a particular interest when I see that we only have 1.9 per cent of the market.

Mr King—It is something that the national body is very concerned about. An association is only as strong as its weakest link and, unfortunately, South Australia appears to be that. Some time ago it was Queensland. In the Australian situation it is a matter of the local board, which owns, controls and operates all of those state hostels, dealing with the situation. It is something South Australia recognises and they are in the process of addressing.

As an example of that, in the annual handbook that we produce they have introduced a thing called a gumleaf rating—as opposed to stars and as opposed to backpacks—which identifies hostels that have unique characteristics or which are in unique locations. The Heysen trail huts are a classic example of that. So it is a matter of identifying the unique or special or things that are peculiar to your state or your locations, and then going and marketing those things to the travellers.

So if someone wants to go and do some bushwalking and stay in these honour system huts, then South Australia is the place to go and do something like that. It is a matter of addressing what you have got, then looking at marketing those things to the public. So that is happening. That was an initiative put forward by South Australia—the gumleaf rating thing—and it has been endorsed nationally and is now part of our handbook. I do not think Queensland has anything that applies to the gumnut rating system, interestingly enough.

CHAIR—Maybe it should have an adventure rating. I think we better get this back onto the purpose of the inquiry.

Senator TROETH—I wanted to ask you about the seasonality of your client lists. It would seem to me that, particularly in the case of Victoria, which is my state, the most attractive time for your clients to visit Victoria would be in the December-January-February period, which is the warmest period but it would also be at a time when every university student and person who wanted to find seasonal work in Victoria who was a native Victorian would also be looking for that work. Do you have any figures on the seasonality of your clients as to when they came to Australia? Are there bulges or is it a fairly stable year-round progression?

Dr McNiven—In terms of accommodation, yes, you describe it fairly accurately, but it is much broader in Victoria. Seventy per cent of our guests are from the UK and western Europe. I was born in St Kilda but I lived in the United States, in the snow belt, for 15 years, so it is neither here nor there for me to go to Mount Bulla in June. So I think a lot of our Northern Hemisphere guests are not quite as finicky about weather.

In terms of the guest stays, yes, but it is a broader period. I only have anecdotal evidence, but we will get back to you with year-long figures by states. But it is a broader season: it is from about now through until Easter.

Mr King—Because Australia is so vast, the travellers tend to place themselves in the right place at the right time, relative to climate. There are times of the year that North Queensland is just undesirable, so they will not be there. It is the same with Darwin. And that applies across Australia. So they tend to move themselves to where the best place is to be at that time.

Senator TROETH—That would reinforce my point that everyone is looking for work at the same time in a particular state, given the season.

Mr King—In that location, yes. You have fruit picking at a certain time of the year; you have grain handling, for instance, on the Darling Downs at a different time—things like that. Yes, where we can, we will see if we can identify some data for you and let you have it. We will come back to you with what we have got.

Senator TROETH—If there is a possibility of that happening, is that then not a case of the working holiday-makers competing for exactly the same slice of the labour market as university students and unemployed and native Australians who are interested in casual work?

Dr McNiven—The representative from New South Wales YHA was saying, anecdotally, that here in New South Wales the backpackers often cannot get out to that work because they have not got transport or do not have the ability to move rapidly between jobs. We are only a hostel network. We cannot represent the whole component. We do not want to overrepresent what we know.

Mr King—It is only where we have got hostels that we can really supply labour. So that controls the amount of jobs that they are cutting into, or the numbers that they are cutting into is relative to where the hostel is.

Senator TROETH—That brings me on to the next point. I gather from what you said earlier that the way in which the knowledge of work is relayed from backpacker to backpacker is by the notice boards in your hostels.

Dr McNiven—And word of mouth.

Senator TROETH—You are obviously in the hostel business, not in the employment business.

Mr King—That is right. That is why I wanted to emphasise that comment I made before.

Senator TROETH—So backpackers travelling on the off-chance to regions where there may not be much work would be dependent on their ability to travel and the knowledge from other backpackers that there is not a lot of work in X, Y and Z. Is that so?

Dr McNiven—Yes.

Mr King—Yes. The exchange of information between travellers in the hostel network is substantial—word of mouth and, to a certain extent, by the news boards, the bulletin board type situation.

Dr McNiven—You might be coming in from Perth and you decide that, instead of the cheapest flight to Darwin, you will go overland. There may not be much work, say, in Broome or Wyndham, but you do know that there is work when you get to Darwin. So you run down there because you will be able to pick up work or you decide to travel more because you can catch up your savings, or you decide, ‘I have worked in Darwin, and now I can take my three months going to those perfect beaches all the way to Perth.’

Senator TROETH—Can you comment on your knowledge of any difficulties which have confronted Australian working holiday-makers overseas? If we have reciprocal arrangements with other countries, how do these work?

Dr McNiven—I regret that I cannot give you a very informed answer there. Certainly we do know that earlier this year there was quite a hue and cry in London about too many Australians there on working visas. One of the appeals of our submission is that a part of having reciprocal agreements is a good education process both ways. They think they have too many Australians. I know that 50 per cent of our guests are from the UK, excluding Ireland. Whether they are over here and are they taking away Australians' jobs is the downside of reciprocity. We do not want to bad-mouth them.

Mr King—An analysis of the figures we have tabled appears to indicate that we have more people coming to Australia from those countries that we have reciprocal working holiday visa arrangements with. Whether there is a direct correlation—because just as we have them here then we can go there—would be interesting to know.

Senator TROETH—I refer to your suggestion that a greater maximum period of stay could be considered if it is done in exchange with other countries—and I note that there are different lengths of stay for Australians in other countries. If we repaid that with similar lengths for those nationals, could that then be seen as discriminatory, as being in favour of some nationalities and less in favour of other nationalities?

Dr McNiven—I think the first issue is that it is good for young Australians. If, say, Britain allows people to stay two years and we are at 12 months, it might be a possibility to do that here for people coming from Britain. But if another country, say, Italy or Greece, said it was strictly 12 months and to work only six months, I do not see any reason to have their nationals allowed to work longer here or stay longer here. It might be administratively a bit of a nightmare for the department, but we do put young Australians first here.

Senator TROETH—Mr King, do you have a comment on that?

Mr King—No, other than to support what Dr McNiven said.

Senator TROETH—The other aspect I would like to ask you about is the appropriateness of the present criteria, particularly in regard to holding sufficient funds when they arrive here, which, I understand, at the moment is about \$2,500. Do you think that is an appropriate level of funds for working holiday-makers to bring here?

Dr McNiven—I think it is appropriate that they be required to have funds. They are coming here to travel and work is an adjunct; it enables them to travel more or spend down and then have enough to get back home.

Senator TROETH—Do you think it should be increased?

Dr McNiven—Perhaps pro-rata'd. When I went to the United States as a student, I had to demonstrate that I had the funds for my tuition and all my personal support. I was permitted to work up to 20 hours for my university. I thought that was quite realistic. So it is a reasonable criteria.

Mr King—I think it should be reviewed on a regular basis. In two years time \$2,500 may not be sufficient. You may need to have \$5,000.

Senator TROETH—Assume that inflation does not rise as quickly as that!

Dr McNiven—You are only paying \$10 per night to stay at a hostel.

Mr King—Yes, there should be a figure and it should be reviewed on a regular basis. For that matter, we feel there should be a visa system. There are benefits in having this system so that we can extract data from it and just assess what impact it does have on Australia and what impact it does have on our employment situation. It is something we are very conscious of—that at the end of the day our aim is really to benefit young Australians. We certainly are very conscious of the fact that we are not wanting to support a system that is going to potentially erode or attack opportunities that otherwise young Australians should be benefiting from within Australia. By the same token, we believe that having these working holiday visas allows young Australians, when they travel overseas, to get reciprocal benefits.

Senator TROETH—So it is legally necessary for every working holiday-maker to have a visa. Is there much black market employment of people who are coming through for a few days, and who want a few days casual work, by employers who would give them cash in hand?

Dr McNiven—We do not work like that.

Mr King—Our policy is not to employ those people. As I say, we are trying to build a pool of Australian employees that we can use throughout our network and that is across the board. New South Wales is probably the exception to the rest of the country but I can say, from visiting not just our hostels but other backpacking facilities, I am sure there are those situations occurring.

CHAIR—I am fascinated with your little book here and I am being incredibly parochial again. Who writes them for each state?

Dr McNiven—It is written by each state.

CHAIR—Looking at it through the eyes of a South Australian, I must say if I read

the South Australian entry I would not be very enthusiastic about South Australia. It says 'South Australia, the festival state', compared with the Queensland entry which says 'Explore Queensland, reef, rainforest, outback sun, sand and surf.' When I read some of the bits, they actually discouraged me from going to South Australia. It is not a reflection on your youth hostels; I just wonder why South Australia is not getting its act together.

Dr McNiven—I will revise our marketing plan to take that into account. My mum is from Adelaide but I did not write this—

CHAIR—'This arid area of the state includes such places as Lake Eyre, Sturt Stony Desert, Moomba, the Birdsville Track et cetera. Opal towns are interesting to visit and accommodation is available—'

Dr McNiven—This is all true—

CHAIR—'Water is very expensive so please do not waste it,' but it is not what you would call encouraging—

Mr King—It is not scintillating. You would probably have to go there to appreciate the view and all that sort of thing.

CHAIR—Yesterday we were told that some of the hostels in areas around Bundaberg were actually encouraging young people to come there with a promise of work and when the young people arrived they were told 'Well, the work is not yet available, it will be available in a week or two but you can stay here and we will put you on credit until you can get the work and then you can pay us back.' Do you know about anything like that happening? Obviously it is not happening in your youth hostels but are you aware of any hostels doing this?

Mr King—No. Sorry, I made the comment before. We do not see ourselves as participating in—

CHAIR—I realise that you would not but I was just wondering if you heard it word of mouth from the young people.

Mr King—I have heard that comment of Bundaberg. As I travel around in my paying job, when I have the opportunity I go to look at hostels and backpacking facilities. That comment about Bundaberg is not the first time I have heard it but I have not witnessed it.

CHAIR—Does this relate to one—and obviously you would not name it—particular hostel that might be doing this and giving the rest of them a bad name?

Mr King—It could be. I just do not have enough information on that.

Dr McNiven—You will hear from the backpacker operators of New South Wales later and others when you go to Cairns. The commercial backpackers are used to running boarding houses. It is just another type of niche market for a boarding house.

Mr King—The whole philosophy of how a backpacking hostel or an independent backpacking hostel is run is very different from how any of our hostels are run within the Australian Youth Hostels Association. They are quite different. After you have visited a number of hostels—be it ours or an independently operated one or part of the other networks—you will see there is quite a difference.

There is a common set of standards throughout Australia which all our hostels have to adhere to, which is enforced. We have people going around each of the states inspecting hostels to ensure that happens. In addition, we are a true network and we refer our guests to the next hostel in the chain. There is that common link.

CHAIR—We will be interested to have a look at the two different types of hostels.

Senator McKIERNAN—Recommendation 5 intrigues me about the superannuation payment. We have not seen that recommendation or suggestion from anywhere else. The positive impacts of a recommendation of that type can be seen but I also see some negative impacts of it. Have you searched through the possibility of what negative impacts might arise from such a suggestion?

Dr McNiven—In terms of self-interest, I suppose we were looking at the positive side: where the contribution taxes and lump sum tax when they withdraw are paid, some portion of that could be looked at for developing the budget travel.

Senator McKIERNAN—Just for the record, there is the ability for individuals to reclaim that before they leave Australia. Do you know the size of the pool of money that is collected now, and the size of the pool of money that is actually reclaimed; and, therefore, what is left?

Dr McNiven—No. We intend to pursue that to find out what we are talking about. This is one thing that is the anecdote from the working holiday-makers: ‘This is all taken out of my cheque, and I’m leaving.’ They can get back their contribution tax and the lump sum payment. Personally, I live at Bondi beach, so I live in ‘Backpacker Alley’. As you get off the train at Bondi Junction, you see the advertisements on the steps as you come out: ‘Backpacker’s tax: visit us before you leave the country.’ That is all that is advertised to you, to get as much back as possible. But there is still money that remains in the country that has been earned in that sector.

Senator McKIERNAN—You do not know the size of the pool. Have you received any encouragement from any government sources that this recommendation might be agreed to?

Dr McNiven—No; none at all.

Senator McKIERNAN—It is purely your idea?

Dr McNiven—We hear that the money is somewhere, and they have earned it. We thought that if there were any chance, especially with the build-up to the Olympics, of supporting the budget travel and accommodation, then perhaps some portion of the funds earned by our guests could go to developing something.

Senator McKIERNAN—What about any other sectors of industry? I have not seen it from anybody else. Have you received any support from any other sectors of the broader tourism industry for such a suggestion?

Dr McNiven—Especially in the Tourism Task Force, because that seemed like a good, possible idea. If it seems out of left field, we are just a voluntary group trying to look at how we can build this section.

Senator McKIERNAN—It is a suggestion, and I am just asking questions on it. That is fine. It is good. We have not received a submission from the Tourism Task Force. Isn't that interesting! Thank you very much.

CHAIR—Do you have any other literature with you that you would like the committee to have?

Dr McNiven—We did provide with our submission a copy of our *Going Overseas* book that the Youth Hostels Association puts out. It is the kind of book you could show your parents and they would not freak out if they thought you were going overseas for a couple of years. It has got a check list, and we try and get young people to live responsibly.

Senator McKIERNAN—My mother would still worry about me, if she were alive.

CHAIR—As there are no objections, we order that the documents tabled be received as an exhibit to the inquiry. Thank you very much for appearing before us today. If we have any more questions, the secretary will write to you.

Dr McNiven—We will provide you with the information that you have asked for. We look forward to seeing you in Cairns.

[10.25 a.m.]

COLLINGWOOD, Mr Alan, Managing Director, Travellers Contact Point, 7th Floor, 428 George Street, Sydney, New South Wales 2000

CHAIR—Welcome. The committee has received your submission and has authorised its publication. Before the committee members ask you questions about that submission, would you like to make a very short opening statement or to make any amendments to that submission?

Mr Collingwood—There are a few things that I can probably clarify. I am a backpacker of old—I used to drive overland trips from London to Katmandu some 25 or 30 years ago, before coming to live in Australia. So backpacking is nothing new to me, nor, for that matter, to a lot of other people around the world. It is perhaps worthwhile stating that Travellers Contact Point is a totally independent organisation. We work very closely with other organisations, such as BRA, YHA and Nomads, as far as accommodation goes. But we operate in a totally independent capacity. We are obviously a commercial organisation—we have to make a living, make money—and we derive an income from selling travel.

TCP—just to shorten it—came into being almost by accident, as happens with a lot of these things. I had some relatives out from the UK who were staying at my house at Lindfield where they enjoyed the swimming pool overlooking the bush. But they felt they did not want to impose on my hospitality too much and asked, ‘Where could we stay? We are here on a working holiday and we do not want to stay in certain parts of Sydney which are perhaps not the most desirable. How do we go about getting a job et cetera?’

The seed was sown and, five years later, we literally get about 500 or 600 travellers through our office each week. We set up what we call a one-stop service centre for independent travellers. We prefer not to use the term ‘backpackers’ to any great degree; they are purely independent travellers. We operate a job search centre and accommodation bureau for while they are in Sydney, and hope to give them the best possible advice during their stay in Australia. Thank you.

CHAIR—Thank you very much.

Senator McKIERNAN—How do you differentiate between the independent traveller who is a working holiday maker eligible to work, and the tourist who is a tourist here to see and not to work?

Mr Collingwood—You cannot tell unless you sight their passport. Again, it gets down to the determination of an independent traveller, whether a backpacker or working holiday maker. It tends to be anyone who arrives in Australia not on a package tour. With the introduction of, say, the cheaper airfares, particularly from Europe, which have only

really evolved in the last five or six years, there is a far greater percentage of travellers literally flying into Sydney or other main gateways without having made any arrangements whatsoever. And we are even talking about people staying at the Regent or the Hilton. The number of people literally getting off the plane without having organised anything is a growing area. So they are all independent travellers.

Senator McKIERNAN—But those type of people you have just described who go to the Regent and have made no other arrangements would be tourists, wouldn't they?

Mr Collingwood—They are tourists. But if you look at how some of the statistics are put together—perhaps not the best, the BTR—any person who spends more than one night in a tent gets categorised as a backpacker. So you can get someone flying in, staying at the Regent for a week, flying up to Alice Springs and going on a three-day camping trip, and all of a sudden they are in this category of backpacker or independent traveller.

Senator McKIERNAN—I asked a question yesterday about the profile of a backpacker and who is within the youth market which you and others have described as 'independent traveller'. Is there a defined category that we are looking at, other than the visa classes stamped in the passport?

Mr Collingwood—I can probably break it down. You get the truly independent backpacker who is on a tourist visa. And, yes, they tend to be in the younger age group—20 to 30 years of age. But they could be substantially older than that. They are here on a three- or a six-month visa and their intention purely is to travel around Australia and travel out. Then you have got the working holiday maker and, as you are aware, they are restricted to certain nationalities and they are allowed to stay here for a year. I further break that down into two main categories. You get the category who come with very few skills, perhaps not too much money in their pocket, who cannot find good work, as it were, and spend not that many months—we would envisaged two or three months in total—in Australia.

Then you get the genuine working holiday maker whose aim it is to experience working in Australia. We find that they stay in Sydney for between three and four months, and that is their first time round. They then start travelling around Australia for another three or four months, hit Sydney again, and just see what the work situation is for the second time round.

Senator McKIERNAN—Do you get many that do it the other way—start in the west and finish up over here?

Mr Collingwood—Yes, there seems to be a growing percentage doing that, and that sometimes is attributed to a slightly lower cost of airfares. Travellers who have a working holiday visa are allowed into Australia on a one-way ticket. With tourist visas, you have to be in possession of an outward bound ticket to enter Australia. Because of the

year's validity of a working visa, all return airline tickets have a maximum validity of one year. You must have reached your home destination within that year. Because people on a working holiday have expectations to stay in Australia for up to a year, they tend to buy a one-way ticket.

We find that most of the people arriving in Perth have travelled and stopped off somewhere in Asia. That is mainly attributed to dollars and cents. Garuda is the cheapest airline, therefore, out of Europe, Garuda will be the cheapest airfare available in most cases—not all the time—that allows stopovers within Asia. So they do South-East Asia and arrive in Perth, but they mostly tend to be on a one-way ticket.

Senator McKIERNAN—Just going to your recommendations and your concerns, firstly, with the \$4,000 you mention under the heading of 'Immigration'. How would the Immigration people prove that a person does have the funds? What conditions would you put in place?

Mr Collingwood—This applies to other countries. For example, if you arrive in Indonesia without an outward bound ticket, the current figure I believe is \$US1,000, and that must be in the form of traveller's cheques or cash, not a credit card. Credit cards mean nothing. You have to literally put forward on arrival in Indonesia \$US1,000 in cash or traveller's cheques or a letter of credit from a bank. Something similar could be introduced into Australia.

Whether it should be that \$4,000 is debatable. I suppose it is ironic in some ways that it is a requirement to produce that funding when you apply for the visa, but it is not a requirement when you arrive in the country. I would have thought it is probably a greater necessity to provide that funding on arrival, as opposed to when you are applying for a visa.

Senator McKIERNAN—And if they do not have it on arrival it means you would have to put them on a plane to take them back.

Mr Collingwood—I suppose that is the airlines' responsibility. It always is the airlines' responsibility to check that the client boarding that aircraft at point of origin has the necessary documentation to enter the country of destination.

Senator McKIERNAN—You, too, have raised that issue of taxation and people either deliberately or inadvertently making claims on the taxation department. How large a problem do you think it is for this market?

Mr Collingwood—I think it is a fairly major problem. One could go as far as to say that it is rampant in certain areas. You have a very high percentage of people who are very genuine in their intentions. However, if you have got situations of people arriving with very little funds in their pockets, obviously the temptation is there. The difference of

29 and 20 per cent is a third. So they are a third better off by putting themselves down as an Australian resident. I would not be able to hazard a guess on the percentage of that, but I would say it is fairly rampant.

Senator McKIERNAN—You have not said anything about the length of time that visas are issued for, the 12-month period, or, indeed, the three-month restriction with any one particular employer. Do you have any views on either of those issues?

Mr Collingwood—I think 12 months validity is adequate. There is always this thing about Australians being allowed to go to England on two-year visas and why can that not be reciprocal. In fact, although Australians are allowed into the UK for two years, they are only actually allowed to work for 12 months of that two years. I think everyone is fairly aware that that is not strictly adhered to but, in black and white, that is the case. I think 12 months is sufficiently long. Let us face it, the working holiday visa is just to facilitate or supplement funding, and is not meant to be the sole purpose of coming here.

We do find that a lot of young people come with specific skills and, in a lot of instances, good skills that Australia could benefit from. Australia is perhaps better advanced in certain areas of industry than other countries are, and other countries are further advanced than Australia is. In some instances, it is sad that people are restricted to that three months validity of working for one employer. My understanding is that it is fairly easy to get around that. The way it reads at the moment is fine and, if you leave an employer as a certain category, you could apply to work for that same company in a different capacity. The same also applies if you are working through an employment agency: there is no restriction, because you are being given a number of jobs in different companies through an employment agency but, technically, you are actually being employed by the one company, the employment agency.

Senator McKIERNAN—Have you any suggestions for ways and means of overcoming the problems this causes?

Mr Collingwood—On the tax?

Senator McKIERNAN—No; on the three-months period.

Mr Collingwood—It is a difficult one. It gets back to honesty. There could perhaps be better measures in the group certificate situation that could highlight when payments are made by companies each month, such that the computer system flags that situation.

Senator McKIERNAN—Group certificates are only issued—

Mr Collingwood—I beg your pardon. I meant the monthly group tax payments by any company.

Senator McKIERNAN—The tax file number is something that has been put to us as a suggestion—and no, I am not resurrecting the Australia Card! Could anything be done in that line? Or, from your perspective, would something like using your tax file number be intrusive?

Mr Collingwood—No; I do not think so. The important thing is that working in another country is a privilege for the person, and not a right. I cannot see any problems in putting certain conditions on having the privilege of working in a foreign country. It should not be a problem.

Senator TROETH—Do you keep statistics or numbers on your clients, as far as the seasonality of their arrival in Australia and their looking for work go? Are there more in our summer?

Mr Collingwood—Yes. It tends to relate to the seasonality back in Europe as opposed to our summer, so we tend to get a fall-off with people coming to our winter, because they know that we do need jumpers and overcoats in Australia. The fallacy is that you do not need them, but word gets around that you do. A lot of people, particularly if they are finishing a college or university degree, take advantage of the European summer, knowing that they are coming out to another summer. Around this time—from September or October onwards—we get the big influx particularly into Sydney but, of course, it is seasonal right around Australia. We get another influx around March and April, and that tends to be of people who have got fed up with the European winter: ‘Let’s get out of here; we have had enough!’ So those are the two main groups of arrivals into Sydney: in March and April, and again in September and October.

Senator TROETH—Would the September and October influx have any impact on the number of our school leavers and university people who are coming towards the end of the academic year, and who are also looking for exactly the same sort of seasonal work that you would have?

Mr Collingwood—I do not think so. I do not think it is the big thing for young Australians to head bush looking for seasonal work: it is something that is not in the culture of Australians, particularly on the coastal fringe, where they want to play. You only have to see the Gold Coast after the Higher School Certificate exams to prove that. If anything, they want to enjoy our summer before they really start looking for work in any serious form. Certainly, there will be a percentage, but I do not think the seasonality of working holiday makers coming in affects the local situation.

Senator TROETH—Do you have any feedback on the success of your clients who head into regional areas or into the outback looking for work?

Mr Collingwood—They are reasonably successful and it does vary from nationality to nationality. The three main ones are the Irish, the English and the Dutch.

Canadians are a relatively small percentage overall. The English speaking ones, the Irish and the English, will tend to stick to the city jobs if at all possible and, let us say, play at country work, particularly outback farms or properties. As far as the Dutch are concerned, I personally do not think there is as language problem. Most of them speak English much better than we who are trained to speak English properly do. There is a slight hurdle there with potential employers taking on Dutch speaking people. They tend to have a different attitude and they are the ones who really go for the country outback work. Certainly, the English and the Irish go for the seasonal work. They do not want it long term. They do not want month after month. Most of them, we find, are just really wanting to do a week here or there to supplement their funds as they are travelling around Australia.

Some schemes need literally about 400 people and we certainly support them. For example, later this month, there is asparagus picking near the New South Wales-Victorian boarder. A lot of people think twice when they get there because September can still be very cold. Last year, they virtually set up a tent city, and that has a few negative aspects to it. This year, the accommodation is a better standard and it should be more successful. Quite rightly, that is promoted as needing a commitment of up to about eight or 10 weeks. The outgoings are very small and people can see that, if they are running short, they can build up a bit of funding from that. That scheme is promoted in the *Sydney Morning Herald* on a Saturday and is available to any Australian as well. It is certainly not restricted to any specific category.

Senator TROETH—So are the opportunities for working holiday makers mostly in that short-term seasonal work in horticulture and agricultural?

Mr Collingwood—Overall?

Senator TROETH—Overall.

Mr Collingwood—No, definitely not. People with skills are in fairly high demand. I think the economy is certainly improving and we all support that. A lot of companies still have certain reservations as to what their position will be in three months time and they are somewhat reluctant to take on full-time employees. We know how difficult it is and we know the expense of no longer having a full-time employee, if there is a turnaround in a company.

I suppose we are getting into specific areas here but people with accountancy, banking, finance and good administrative secretarial skills are in very big demand. There is no denying that. We do not act as an employment agency ourselves. We are not licensed to, nor will we ever want to, but we have listings of employment agents who do provide work for overseas visitors and our jobsearch board is full of that sort of work. Those companies fax the listings to us and we place them on that board. We are very careful of the type of work that is put on that board in the sense that we check as much as possible. It is not foolproof, but we prefer them to be jobs that are paid by the hour with

tax being paid. It is not cash-in-hand and it is all above board and legitimate.

Senator TROETH—Do you believe there is evidence of those cash-in-hand type jobs being offered and being taken by people who are out here for a short time only and who may or may not have a working holiday visa?

Mr Collingwood—It would be foolish of me to deny it. Yes, it does go on. To what degree and what percentage are very difficult to set down. There is probably a higher percentage of cash-in-hand jobs going to people without working holiday visas than to those with. But, certainly, it does happen with working holiday visas. I suppose the concern is as we have put down—that those people are obviously not covered by workers compensation. That definitely is a concern to us, as it is to others.

Senator TROETH—Do you think there is a way of policing that better?

Mr Collingwood—It is difficult in terms of the overall costs of the policing as to how much drain is going on in other areas. It would be relatively easy, although a lot of that type of work tends to be word of mouth, and word of mouth is much more difficult to police. As we have said in the submission, a lot of those cash-in-hand jobs tend to be put upon hostel notice boards. A lot of hostel owners are very proactive in this area. They want the best for their clients and vet what goes on the boards.

There are the hostels that perhaps really could not care less and will look at it from a different view—that if there are work jobs on the board, that is going to keep people in that area and staying at their hostel. So there are obviously commercial interests in some areas. And I would have thought there would be a fairly easy way to police that, because they are relatively small areas. It is not as if they are all over the place; they are confined to certain areas.

Senator TROETH—Do you have any views on the cap which was introduced to control the number of working holiday makers? It has been raised recently.

Mr Collingwood—I suppose that, on the straight commercial side, no, we do not want a cap. I personally feel that there should not be a cap. I think the numbers of young travellers coming into Australia is going to continue to grow. We have just got to accept that Australia is an 'in' destination these days because it is considered very safe and it provides a cross-section of travel experience—perhaps more than most other countries in the world—and I think we have really got to continue to promote it that way.

If you look at the statistics, 65 per cent are tertiary educated. They are not silly. They are going to go into well paid jobs, and that is our future tourism direction: they will return in five, six or eight years, either on business or with their families. I think it is very important that they have the best possible experience at this time in their lives. As to whether it should be opened up to other nationalities, yes, I think it should. Why restrict it

to certain nationalities? There are other areas, as you are aware, where there are reciprocal agreements. I think there is a reciprocal agreement with Korea where 2,000 Australians and 2,000 Koreans can visit each other's country each year.

We are involved in other areas where we do the travel arrangements for young Australians working in American summer camps. This year we got a substantial number of people away. A lot of those kids travel on to Europe and England and I like to think that the majority of kids coming back to Australia have a better sense of life and will make better Australians. Likewise, allowing overseas working holiday makers into Australia will make them better people when they get back to their countries. You have probably heard it from different sources but—

Senator TROETH—I am interested in your views. So you do not think there should be a cap?

Mr Collingwood—I personally do not think that there should be a cap at present. If we look at the statistics for the last year we have seen a 35 per cent increase. So it does show that there is a great demand. I suppose the concern is if it is open slather and if, say, 150,000 arrived, would there be sufficient work for 150,000? Probably the answer to that is no; the work situation would get difficult. But I suppose it gets back to the previous comments about what the essence and the spirit of the working holiday visa is—and that is for work to supplement funds whilst travelling, not to be the sole purpose. So perhaps it has to be reviewed in the sense of what the aims of these people are in coming here: is it to supplement their funds or for the sole purpose of travelling?

Senator TROETH—Thank you.

CHAIR—In your work, when a young person comes to Australia, do you actually provide a whole itinerary—if they ask for it—whereby they could go right around Australia, such that it said that there would be work in this place or that one and which hostels to stay at? Is that part of your service?

Mr Collingwood—We do not. We give suggestions, and charts are freely available in most of the backpacker magazines as to where the seasonal work is. That is broken down to the time of year, the type of work—fruit picking of oranges, grapes or whatever—and the town nearest to that area. It would be a very difficult thing to plan. We could, but whether they would like to pay us for our time is another question.

There is, again, word of mouth. I heard, whilst I was waiting, of the Bundaberg situation where there is the perception that there is work all the year round there, and it is incorrect. Basically, what is happening there is that a backlog is created. People keep arriving and there simply is not enough work for everyone at certain times of the year. But word of mouth in this business is massive, and it does not take very long for that word of mouth to work.

CHAIR—So, if you want to get a rumour around, just tell a backpacker.

Mr Collingwood—Exactly.

CHAIR—Even if it does go around the whole country.

Mr Collingwood—Precisely. There have been various scams through the years: how to use the gold phones without paying, and all that jazz. That is a worldwide phenomenon and it gets around very quickly.

CHAIR—I am interested in what you said about them hitting Sydney and tending to stay for about three months.

Mr Collingwood—These are the true working holiday makers with specific skills. We are not talking about others who want to go fruit picking, because there is not that much in Sydney. Those with specific skills tend to be around Sydney for three or four months. They do their travelling and come back and have another go. There is another market that hits Sydney and really likes it—and why not? Sydney is a fantastic place to live—and they go for up to six or eight months and then they head off. It depends on their air ticketing and whether they have to come back to Sydney to fly out or whether they purchase an airline ticket to fly out through another gateway port.

CHAIR—In common with everyone else in the industry, you do not see the necessity for a cap.

Mr Collingwood—Yes.

CHAIR—There is concern that the industry is using these young people to plug holes in the labour market, which does have ramifications for our own young people who cannot get jobs. Would there be any value at all in making sure that the working holiday visa was actually getting them out and about by putting on a restriction so that, after three months, there had to be a certain number of weeks between jobs?

Mr Collingwood—I see what you mean. I suppose the whole spirit of the visa actually more or less stipulates that, in the first place.

CHAIR—I guess it would be very hard to police. You would not know, when somebody turned up, whether they had just walked out of another job.

Mr Collingwood—Exactly.

CHAIR—What I was thinking of was that, in Cairns, when I was talking to the industry up there, I found that certainly they do swaps. ‘I have trained up this Jap and he has worked for me for three months, so he will work now in your restaurant, and you can

give me the one from yours, so I do not have to train him up.' This means they are basically getting very solid employment along the way. Cairns is a very attractive place to stay, and they may not move on. One of my concerns is trying to get these young people away from the eastern coast for a while and into the other places around Australia. Do you have any ideas on how we could be doing that?

Mr Collingwood—It is difficult. Certainly, our experience is that people have found it more difficult to get work in Adelaide—or in Brisbane, for that matter. It is mainly because it is considered—and I heard your comments before—that perhaps Adelaide is slightly more parochial, and a lot of companies are a little more hesitant about taking on an overseas visitor for a relatively short period of time. It is a smaller place and there is a certain hesitancy there. I suppose the system works better in a bigger city. It can be absorbed more easily and to a greater degree. But I certainly support that.

The biggest problem is the size of Australia. Most Australians simply do not appreciate the size of Australia. We try to quickly highlight it and say, 'Did you fly directly from London to Sydney?' They say yes. We say, 'With one stop via, say, Singapore, your total flying was 19¼ hours. You are actually flying over Australia for over one-third of that total flying time.' They say, 'You're kidding, you're joking.' I say, 'No, we are not. For one-third of your total travelling distance you are over Australia.' That starts putting it into perspective.

Consequently, a lot of people do not travel anywhere near to the places that they actually intended to because they get freaked out with the overall travelling time and, I suppose, the uncertainty of whether they will be able to get work in the next place.

CHAIR—As you have said, you have this tremendous word of mouth system. You land in Sydney, Brisbane or Cairns and they say, 'You can't get a job in Adelaide.' They are not going to go to Adelaide.

Mr Collingwood—Correct.

CHAIR—Against that, I guess, there is no huge attraction in Adelaide that draws them there, so they do not have a specific drawcard to that area. By mentioning Adelaide I obviously mean other areas as well. But it is a good example. They also do not think they can get work there, so it is not much of an incentive to go there.

Mr Collingwood—Sure. Let us use Adelaide as an example. It is still a very great drawcard because of the Great Ocean Road from Melbourne or vice-versa, and heading north. I agree with you that at the moment Adelaide is not a big drawcard for work, as is Melbourne to a lesser degree. Sydney is still considered as the place to find work for that medium-term three-month period—staying in Sydney for that period of three months and really getting established and settling down.

I suppose if we want to compare anything, the classic situation is in England with the Australians. London is still the place to go. A few venture out and get work in some country pubs and go down to Devon and Cornwall. But that percentage is very small compared to the number of Australians who go to London.

Whilst on that, if you are not aware, the working holiday system is slightly different there. Technically, you cannot go to pursue your chosen career. If you land in London and say, 'I'm an accountant and I'm looking for accountancy work'—

CHAIR—Everybody uses the accountant example.

Mr Collingwood—That is mainly because Australian accountants are in big demand in London, but technically they cannot work.

CHAIR—This seems to be the general thing. Although you are frightened off by being told you cannot work as an accountant or a doctor or anything else—a professional—once you actually get your visa and you are in there, there apparently is no trouble in actually getting that work.

Mr Collingwood—Exactly. I suppose that is the other issue: we do not want too many impositions put in place to frighten off people coming here in the first place. It may well have already been mentioned that if a cap was imposed, we could find a situation of, for example, 50,000 visas issued from 1 July. The last thing that anyone wants is 50,000 people arriving in Australia between 1 July and the end of September because that will disrupt the whole system altogether. Sydney will not be able to cope, there will not be enough beds and it is pointless having X thousand people in Sydney for three months and then they all disappear and we have empty beds in Sydney for the remaining nine months. That is an area of concern if a cap is imposed.

CHAIR—Everybody will say, 'We'd better get in early,' so you get those peaks and troughs which you do not want.

Mr Collingwood—Yes.

CHAIR—I think that is an extremely good argument against it.

Mr Collingwood—That actually happens with Canada, where I think there is a limitation of 5,000 visas issued each year from 1 January. Five thousand people do not go to Canada in January because it is too cold. There is a hell of a rush on in spring.

CHAIR—Just as the maple sap is running. It is a good time to arrive in Canada.

Do you have any other points you want to make on that—making the thing more attractive? I am wasting time; I am trying to get to what my thought was, which was the

Sydney Olympics. Do you see any great influx of the working holiday maker, particularly during the Olympics, just from your knowledge of your business?

Mr Collingwood—I have not made any firm decision on this. With the Olympics, there is the perception of ever-increasing costs. So we could see a shying away from Sydney for perhaps the month before and the month after, or it could be a longer period of time. That will not only be from Sydney, but from Australia altogether. That is an area which I think we should concern ourselves with.

CHAIR—So you are saying that the working holiday visa trade might say, ‘We won’t go to Sydney because they are having the Olympics and everything is going to cost a fortune, so we will stay away until after the Olympics, when prices will go down.’

Mr Collingwood—That is right.

CHAIR—Is that necessarily a bad thing? I guess it is rather nice to get one regular segment of the market out of the way so that the new segment can come in just for the Olympics. It is not necessarily bad.

Mr Collingwood—Whether other segments of the market will want to stay in six- or eight-bed rooms for the Olympics, I question.

CHAIR—I doubt it very much.

Mr Collingwood—It could be looked at in a positive way. I do not have the statistics yet as to how many volunteers or casual workers will be required. It is going to be substantial. On a positive note, I feel that something could be devised to help that situation. We have a ready-made market for that. I have a feeling that an awful lot of Sydney-siders will be heading in all directions out of Sydney. Certainly the airfares that will be around to fill those empty seats with everyone coming in will be about \$600 to London, return. That is the figure that is being mooted in these early days. There will be a massive exodus of Sydney-siders. That is fairly definite.

CHAIR—So you are suggesting that if you are flying overseas, a good time to get a cheap fare is around about the time of the Olympics?

Mr Collingwood—It will be a great time.

Senator TROETH—Do you get any criticism from people who approach you about the present conditions of the visa? Do they have any complaints?

Mr Collingwood—I cannot think of any complaints from those who hold working holiday visas. We get them from those who cannot, and could not, get a working holiday visa. That tends to be in the area where they have just gone over the acceptable age,

particularly when you have people travelling together in twos and threes and fours, et cetera.

Senator TROETH—So two can get a job, but the third one can't.

Mr Collingwood—Yes. There could, quite literally, be just a couple of months difference in age, and that has prevented that person getting that visa. Obviously, there are the nationalities who cannot currently get a working holiday visa. They feel a bit hard done by. Particularly in Europe now, where it is one Europe and people are thinking so much as one, all of a sudden you get this breakdown of Germans and Scandinavians who cannot get a work visa, whereas the Dutch can.

CHAIR—I have two final questions. Firstly, you suggested that there were instances where the employers charge the working holiday-makers for training, but then give them job offers—train them in Queensland and give them a job offer in Western Australia, which they cannot take up. How widespread is this?

Mr Collingwood—I do not think it is particularly widespread at the moment. I put that as a concern of potential problems.

CHAIR—How can we stop it happening?

Mr Collingwood—In most areas in Australia in the travel industry, any training program has to be accredited by government—the ATRIP or something. So no-one can just start up a travel training course or school for the travel industry; they must be accredited. You have to put a question mark on how much someone could learn in four days to become a jackaroo or a jillaroo. Certainly, there is a need and necessity to have the basic training because these people are going onto properties where it is fairly dangerous work—whether it is with cattle or horses or whatever. So they do need a certain amount of training. But as I have said, I question whether four days is sufficient.

I do not think it is a major problem at the moment, but it could be if certain areas were to become more difficult. In any industry there is a certain percentage of people who will take advantage of a situation and take money. As long as they have complied with what they have promoted, they can say, 'Yes, there is a job going in Western Australia, but it is going to cost you \$600 to get there.'

CHAIR—So really you think there should be a bit closer supervision?

Mr Collingwood—Yes.

CHAIR—Finally, are you aware of any health related concerns relevant to working holiday visas, including access to health services?

Mr Collingwood—With the English and the Dutch there are reciprocal arrangements with our medical facilities. Even then, of course, a lot of them come uninsured, or they take a month's travelling insurance. There is a very high percentage who are not insured. They will be looked after by our medical system if they break their leg, but legs will be put in plaster and our medical system, understandably, will want to get them out of that hospital as quickly as possible. If they have to be cared for with nursing, et cetera, they are not covered. If they have to be flown back to their home country, they are not covered. The Irish do not have reciprocal agreements with our Medicare system and are very vulnerable.

CHAIR—What happens? Have you got any anecdotal stories at all?

Mr Collingwood—We hear occasional stories, some of them funny and some not so funny. We had a Canadian girl phone up last year and say, 'Can I take up travelling insurance?' We said yes. Then she said, 'Does it cover physiotherapy?' I said, 'Well, yes it does, but I think you are leading onto something.' Physiotherapy would be considered as a pre-existing condition. It turned out that she had broken her arm skiing and it had cost \$700 for an overnight stay in hospital. Canadians are not covered by our Medicare. She was not insured. It cost \$700 for the overnight stay in hospital and \$600 for the operation, and now the doctors are advising physiotherapy three times a week at \$50 a pop. It is rather sad. The only advice I could give was that we could still sell her a travel insurance policy in case she breaks her other arm, but not for that one.

An Irish guy came in last year. I had to be careful because he was asking too many questions. I thought he had a pre-existing condition. He filled in the form. I said, 'Look, you seem a bit apprehensive. Are you sure you haven't got a pre-existing condition?', because they do have to sign the conditions. He said, 'No, I'm all right, but it is my friend.' I said, 'You can't take out a policy for a friend.' He said, 'Oh, I know that, but my friend is in hospital.' He said that he was in St Vincents. I said, 'What happened to him?' He said, 'Oh, he's got strangulated testicles.' I said, 'I won't even ask how he got that condition.'

We do hear of instances all the time. If we are looking at some of the areas where these people are working, the medical issue is quite important, particularly in the outback.

CHAIR—Thank you very much, Mr Collingwood, for your evidence. If we have any more questions, the secretary will write to you.

[11.19 a.m.]

LEDGER, Mr Julian Litton, Honorary Secretary, New South Wales Backpacker Operators Association, PO Box 5276, Sydney, New South Wales 2001

LYNCH, Mr Justin, Member, New South Wales Backpacker Operators Association, PO Box 5276, Sydney, New South Wales 2001

MACAULAY, Mr Gregor, Member, New South Wales Backpacker Operators Association, PO Box 5276, Sydney, New South Wales 2001

CHAIR—I welcome the representatives from the New South Wales Backpacker Operators Association. The committee has received your submission and authorised its publication. Do you wish to make a short opening statement or make any amendment to your submission before we start to ask questions?

Mr Ledger—Yes, I have a short opening statement. Firstly, I wish to make apologies for our absences. I am not sure what is happening. I was on a plane from Perth last night, so I have not been able to chase them up.

The Backpacker Operators Association of New South Wales is a fledgling industry body which aims to represent people who run hostels and people who provide other services to backpackers, like travel. Gregor has a long experience with providing services to students, in particular. We also have publishers as members and people who are involved in transportation. The only other state that has such an organisation and the one that we model our own objects and rules on is South Australia. There is a fledgling backpacker operators association there too. So we are like a mini Australian hotels association, if you like. We are there to try to improve standards in the industry, safety issues, ethical issues and, I guess, make our voice heard when issues like this come along.

Above all, we would like to stress to the committee that we feel that this matter is very much a big picture and that we need to concentrate on the big picture. While we may forget about it sometimes, Australia is a very isolated country and it has a relatively small population. Whether we like it or not, the rest of the world does not really give a damn about us. They don't think about us and they don't read about us. We need to make sure that we stand up and be counted and look after the interests of our young people. That is what this scheme is all about. It is a reciprocal scheme.

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.

There was a piece in the *Sydney Morning Herald* the other day which noted that at the Edinburgh Arts Festival this year Australian accents were thick on the ground. It is just an example of how Australians find themselves working around the world—in that case, in short-term employment selling tickets and things for venues there. Earls Court has been known since the 1950s as the Kangaroo Valley of London. Three generations of young Australians have gone to work overseas. We must reciprocate as a reciprocal scheme, and we are now seeing young people from overseas. Primarily it has been British but we believe there is scope to expand the scheme to other countries. Japan was brought in in about 1980. That has been a very successful aspect of the scheme, although we would like to see more young Australians working in Japan. It is a vast economy there and there must be big opportunities for more Australians to work in Japan.

The other aspect of the scheme is that it is not just the work, it is the length of the stay that makes the experience more worthwhile. Someone does not just come and crash in as a tourist, stay a week or two and move on. The longer stay allows relationships to be built up and enables people to really get to know and feel the country. One of our members sent in a submission which talked about young international visitors coming here and becoming Aussie nuts. They really become very committed to Australia. It becomes something that is part of them. It is an experience which stays with them all their lives. They go home and talk about their experiences to other people who may come back here as tourists.

Australia is a desirable destination for a lot of people to come as tourists but the Australian Tourist Commission gets \$80 million or maybe \$90 million a year to promote the place. It is a drop in the ocean when you start looking at the rates of the cost of TV advertising in Japan and other places. We need to be a bit more clever and rely on word of mouth to help promote the place. Young working holiday makers who come here and then go home and promote the place maybe even come back as more wealthy tourists themselves in the future. Even as working holiday makers they spend the money here that they arrive with. They make money here maybe, but they spend that here too. We believe that not many go offshore with the money they have earned here, so there is an economic multiplier taking place there.

We feel that, whilst the scheme no doubt has wrinkles, the big picture benefits of the scheme must far outweigh the wrinkles. Because the scheme is fundamentally reciprocal, we do not see that the labour market issue really stands up. The fact is that there are many young Australians working overseas either through this scheme or through virtue of having an English grandma or even an English passport. Because we are a country of migrants, many young Australians have opportunities to work overseas. There is an opportunity for Australia to negotiate more reciprocal arrangements so that

Australians can work in more countries overseas. We would like to see that happen.

We worry about the cap that has been imposed. 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. We worry about a cap because it can create distortions to the scheme, which I imagine you may have heard about from others. The fourth page of our submission puts the case for no quotas. We are not keen on quotas.

Finally, we would like to request that the Department of Immigration and Multicultural Affairs has some kind of group which monitors the scheme, and maybe that could involve the industry. So if issues do come up—and they are many and varied; for example, to do with tax, superannuation and other aspects of the scheme—there is an opportunity for proactive management of that and some liaison.

In conclusion, we do not favour a scheme that is more regulated. We do not favour more rules which may be difficult to police. We believe that the thing stands on its own as a reciprocal arrangement.

CHAIR—Thank you, Mr Ledger. You started off by talking about the opportunity this gave for a greater knowledge of Australia, especially when we have young Australians travelling abroad, and you mentioned our deficiency in language. Do you think there should be more opportunities for young people, before they go abroad, to have quick, intensive training in other languages—for instance, if they want to get jobs in Japan or Korea? Very few young Australians actually speak those languages. There are more Australians speaking Japanese now, but I do not think we have a very—

Mr Ledger—Japanese is now the biggest language taught in schools. I am married to a Japanese myself, and I have been studying the language for years. It is a very difficult language, and I believe the only way to really grasp Japanese is to go and live there. There are exceptions to that, so that is where the working holiday visa scheme can kick in. But, yes, training beforehand is a good idea.

Mr Macaulay—Nearly all the Australians that go and work in Japan are giving Japanese-English language practice.

CHAIR—Is that the biggest group?

Mr Macaulay—By far.

CHAIR—Isn't there a substantial group now who are going to work in the hospitality industry?

Mr Macaulay—There is a small group doing that, but the very substantial number go and practise English. It is not actually teaching English; it is just giving English language practice. I have spent some time in Japan with these markets.

Senator TROETH—So what you are saying is that the English language aspect is being reinforced, whereas what they really need is more practice in Japanese?

Mr Macaulay—No. That is what they do to earn their money. That is the only sort of work they can get. What they have to do is live with the Japanese so it is all Japanese. In actual fact, they get day-to-day practice with Japanese, but it is very difficult and unlikely that the level of Japanese that they have in Australia will be sufficient to get employment where they need to be able to speak the language.

CHAIR—Do you have any anecdotal evidence of your own of the benefits that this scheme has brought to Australia, in terms of relationships being formed by either our young people overseas or young people coming here to work? I think we all assume that it happens, but I just wondered whether you had any particular examples.

Mr Ledger—That is a difficult one.

CHAIR—One of the gentlemen we had here yesterday from the Australia-Japan Society said he was hoping that one day we would have a friendship out of the scheme which ended up with the Australian Prime Minister and the Japanese Prime Minister once having known each other as young people in the same country. I just wondered whether you had stories like that, but you do not seem to. One of the great expectations of the scheme is that it will raise familiarity with Australia because, as you say, we are particularly isolated.

Following on from that, you said that you would like to see more reciprocal agreements, but you also mentioned in your submission that perhaps Immigration was not working hard enough on these.

Mr Ledger—There was a note in the report that the department produced in May which said words to this effect, 'Efforts had been made to look for more reciprocal arrangements but nothing had come of those.' I think we simply raised some questions, such as why not? What happened? Was it one letter or did a delegation go? Was anything done at a ministerial level? Was foreign affairs involved? Was the thing looked at from a commercial angle? We do not know anything about these things, but we are just raising the questions.

CHAIR—So you had no personal knowledge of that.

Mr Ledger—No. Obviously, the initiative was taken in 1980 with Japan, and it would be good, we believe, if the initiative could be taken elsewhere.

Mr Macaulay—We had quite a lot of Europeans coming in at the same time as English people, and the Europeans have a lot of difficulty understanding—

CHAIR—Why they cannot get a job.

Mr Macaulay—Yes, why they cannot but the English can. I am particularly involved in handling a lot of people from Scandinavia who come here. They find it quite strange that, now they have joined the European Community and all of those things, they cannot also participate in these types of schemes.

CHAIR—Do they know in fact that they can but they have to make an individual application?

Mr Macaulay—Yes, and I was going to lead onto that.

CHAIR—But they have got to make it in their own country.

Mr Macaulay—Not only that. I would say that the Australian authorities do not have a lot of material that promotes or encourages applications. That would be the case particularly in relation to a recent example from Denmark, where the person had a lot of difficulty finding out information about the scheme. It seemed that the person who made contact with me did it for a reason—he thought he had to have pre-arranged employment. We went back to him and said, ‘No, it is exactly the opposite.’ So I got the feeling that there was insufficient information or material available to say that programs do exist.

CHAIR—We had evidence yesterday that there seemed to be an inconsistency about giving these visas when the countries were not agreement countries. Do you have any, again, anecdotal evidence of which countries find it more difficult to get those visas?

Mr Macaulay—My experience is that it is more the Scandinavian countries, and there it seems to be more difficult than the theory would say.

CHAIR—But there are no particular countries?

Mr Macaulay—That one example I was using was Denmark. But, no, not particularly, just the Scandinavian area. We have a large number of people from that area coming here as backpackers and staying for quite long periods of time. They would like to have the experience of doing some work as part of that total trip.

That is the point I would strongly like to make. I think people have the impression that the working holiday visa person works most of the time. A small number do that. The majority of them actually travel most of the time and work as a function of the wallet. They work a bit at the beginning and they work a bit later on, but they are travelling fairly continuously. The work is really supplemental and part of making contact with Australia.

Senator McKIERNAN—Does that include the Japanese?

Mr Macaulay—I am not as familiar with the Japanese on the inbound basis. Certainly, in my small operation, we do get Japanese who travel quite extensively, but I am aware of pockets of Japanese who come in for a fairly narrow employment. Like the Australians who go to Japan and primarily teach English—that is the tool they can use to get employment—most of the Japanese who come here use the language as their tool.

Senator McKIERNAN—Are the Aussies who go to Japan going on a working holiday visa?

Mr Macaulay—Yes.

Senator McKIERNAN—A working holiday visa, to my understanding, is restricted to six months in Japan.

Mr Macaulay—Yes, but it can be extended. The extensions are not difficult. They are bureaucratic but not difficult.

Senator McKIERNAN—How easy is it? Can you describe how it is done?

Mr Macaulay—I think you have to make two representations over a period of a couple of weeks, and you have to show that you have sufficient means to look after yourself financially. But, like most things, Japanese bureaucracy is fairly time consuming. It is a lot slower than in Australia. Australian authorities sometimes are thought to be slow, but the Japanese do win at that.

Senator McKIERNAN—I have just got a few questions for you for clarification. At the bottom of the second page of the submission you said:

We wish to acknowledge that the majority of our members derive a significant proportion of their livelihood from serving the working holiday maker market.

What is a 'significant proportion'?

Mr Ledger—About 225,000 backpackers come into Australia each year, and I guess we can say that about 40,000 of those are working holiday makers. That puts it at

about one-fifth. We have also said that working holiday makers tend to spend time in Sydney because of the Manhattan effect, if you like. Australians go to London or Tokyo. Other people come here for whatever reason—good or bad. So it may be slightly higher than 20 per cent.

Senator McKIERNAN—In your arguments for avoiding quotas—and this is the fourth page of your submission—one of your dot points said that the problem with capping is that it creates inequity. I would have thought it would create certainty. If the industry knew there were going to be 35,000, 40,000 or 50,000 this year, it would have the certainty, rather than the circumstance we may have seen in 1994 where it looks like 35,000 visas were issued in the first half of the financial year and there was nothing available for the second half of the financial year.

Mr Ledger—Did you say 1984?

Senator McKIERNAN—No, it was 1994—sorry, it was 1995—when the cap was introduced by the previous minister and the previous government. My argument is that, if there was a cap, the people serving the industry here in Australia would have certainty. You would know whether there was going to be 35,000, 50,000 or 150,000.

Mr Macaulay—One of the concerns that we have with the cap is the perception it gives overseas, where you are trying to promote Australia and the working holiday program as part of it. If there is a cap, and I have worked in the retail side in the United Kingdom, what you will encourage your customers to do is buy early and get the visa, irrespective of whether they are going to use it.

We have some anecdotal evidence that this did occur this year. When there was some thought that it was going to run out, people went in and got them. Whether they actually used them or not, we are not sure. We actually have the feeling that quite a few visas were not used.

The whole problem with the cap is that, if it becomes widely known—and word of mouth in our business will mean it is known in a very short period of time—that there are 50 visas and that those 50 will run out maybe in December, for the next six months people cannot and will not apply so they may travel elsewhere and not come here. I think it will give us a difficulty of a flow of business coming to Australia if we have the visa cap.

I also believe—and I know this is only a personal belief—that the number who utilise the visa will decline because they will take it out as an insurance just in case. They will not utilise it or, if they do, they will only do it for a small period of time. I think it will take away from the program if it has a cap.

Senator TROETH—Do you think it would also aid us as a bargaining tool with

overseas governments if we had no cap and said to them, 'There is an unrestricted flow of your people to our country. Why are there restrictions put in place for our nationals to travel to your country?'

Mr Macaulay—I think that would be very helpful, particularly with people like the Canadians at the moment. That would be of great assistance. We are prepared to be open and quite flexible. We are flexible in so far as the visa is relatively easy to get and they do not have to use it—and a lot, we believe, do not use it. So I think we could argue the other way.

Senator TROETH—What are the main restrictions placed on work by Australians in overseas countries? If we say that you cannot work for more than three months with one employer, that you have to have funds in hand when you come here and those sorts of things, what are the similar clauses which overseas governments use to restrict work?

Mr Macaulay—The Canadians have a quirk in their restrictions. If you are going to work in anything to do with the food industry, you have to have a health certificate and that is quite tricky to get. The only health inspector who covers this part of the world is based in Singapore, so it is quite tricky. So working in the food and the hospitality industry is a tricky one I came across recently.

In the United Kingdom at the moment—unlike here where the onus is on the employer to ensure that he is employing people who are legally able to work—it is the opposite. It is the employee who has the onus, but I do not think that causes any major problems. They are going to reverse it in the United Kingdom, as I understand it, to go back to our system.

Senator McKIERNAN—They have done it. The employment of illegals is now a criminal offence.

Mr Macaulay—Right, they have switched it back. They used to have it that way eight years ago, so they have switched it back. The major restriction with respect to Japan is that a lot of employment has qualification, experience or semi-trade type requirements, and people find it difficult to get work because they cannot pass those hoops. To an extent, in Australia we would have the same thing, but I think they seem to be more strict on it. They have become quite strict in Japan in English language teaching between practising English versus teaching English. If you are teaching English, you have to have a qualification to teach English as a foreign language, but you can be employed to practise English without it.

Senator TROETH—What about the Scandinavian countries? You did mention those in your earlier remarks?

Mr Macaulay—The basic problems in most of those countries would be the

English language. You would need to have the communication language of the country, and very few Australians would speak Danish, Swedish or any of those languages.

Mr Ledger—There is no reciprocal scheme, I do not think.

Senator TROETH—Right.

Senator McKIERNAN—Judging by your opening comments, you are actually quite laudatory of the scheme. I can quote some of the things you said. You said it was ‘an excellent arrangement’ that ‘provides marvellous opportunities for personal development’, and that it ‘has brought many benefits to Australia’. You said that it ‘is a very significant contribution to Australia’ and that it ‘provides individuals with the greatest adventure’. You also said that the scheme was one of the best things Australia has. I actually agree with you on all of those points, and I think the scheme ought to be protected.

We are receiving evidence that the scheme has been abused in certain areas. Is your organisation aware of any areas where it is abused, and would you have any recommendations you could put to this committee that would cut out any abuses of the scheme that you may be aware of?

Mr Lynch—Any specific abuses?

Senator McKIERNAN—Anything that brings the scheme into disrepute. Anything that leads Channel 7, another commercial channel or even the ABC—we still have the ABC, for a while at least—to show stories, which I did not see, that brings the scheme into disrepute and that could lead to a fanfare that jobs have been destroyed by this marvellous scheme.

Mr Ledger—I think there will always be wrinkles in the scheme. It is not that hard to go out there and find someone. If you travel the country as a committee, I am sure you will find some people, but it is just a matter of trying to work out how representative they are.

The only one I am really aware of is that there are 600,000 Japanese coming here every year and the Australian tourism industry has to meet their needs. But someone who has been to high school and studied Japanese is not culturally capable of standing on a bus and acting as a tour guide. Even though they might be reasonably fluent in the language, it is not what the Japanese tourists want, because the cultural sensitivities are much more than just the speaking of the language. So you then end up with the situation where they have to be Japanese nationals, and we have to overcome that situation. I think working holiday makers have been used in that particular area.

CHAIR—We hear that an awful lot.

Mr Ledger—On the other hand, the Japanese working holiday makers arrive here generally with much more money than the Brits or the Irish. So many of them do not do much work and do spend a lot of money here.

CHAIR—I think we have heard from almost all the witnesses who have come from this area and have anything to do with tour buses that Australians cannot be culturally appropriate to the Japanese tourists. With your very good knowledge of the Japanese, could you give us any example that might highlight this. Let us presume that we have a young Australian person who speaks reasonable Japanese. How are they not going to be culturally appropriate? As part of their Japanese language training they obviously get a basic lesson about culture.

Mr Ledger—One thing you need to understand about the Japanese language is that depending on who you are speaking to—whether they are older than you or younger than you and what their station in life is—determines the language that you use when speaking to them. The Japanese language is extremely complex in that area. Whilst we can learn the language from textbooks, to pick up all of these innuendos and respect is very difficult. You can do it, but you need to spend considerable time in Japan. I think it will break down over time.

Twenty years ago the young Japanese coming here spoke no English. They were like the Koreans are now. They were very difficult to accommodate and we had a lot of difficulty. Now we are finding that they are more worldly wise and they are more open to Westernisation. I suspect that when they come back on tour buses in another 10 or 20 years maybe they will be more accepting of a young Australian who is struggling to act as a tour guide.

CHAIR—So if you are taking this elderly Japanese couple on a bus and the Australian person, who presumably has some knowledge about the different forms of address but maybe gets it wrong, and addresses the elderly couple as if they were young people, is this total mortification to the Japanese that they cannot cope with it or that they cannot say, ‘Look, we are in a different country, this person doesn’t understand our language that well, but is trying’?

Mr Ledger—I think it is much more of a problem than you or I can quite comprehend.

Mr Macaulay—Yes, it is. They don’t complain to you; they will complain back to the Japanese tour operator that sold them the tour, saying it was not as it had been presented, they were rude and they were offensive. What we would find at worst is abrupt, they would find as offensive. This is quite difficult, unless you have lived in Japan for a period of time. I always struggled with it while I was there. I never mastered it at all. It is quite difficult. But I believe that this is changing.

As the number of Japanese tourists coming to Australia has risen—they have been coming for a long period of time—you are now getting a lot more travelling outside of that very close packaged holiday group that needed that absolute 100 per cent reassurance that the earlier groups did. I think that is actually occurring if you look at the statistics of the type of travel which the Japanese are doing. Increasingly, they are travelling not just in the ‘follow the flag bus groups’; they are moving out of that. The flag followers are now the Koreans and the Taiwanese—the new areas that we are beginning to develop for tourism. I think we will have a situation of young people from those countries coming down to help support that tourist development of the type that we had from Japan before that. The Japanese are branching out more and more now. We are finding more of them in the hostels and more are buying the outback adventure tours on their own and becoming quite outward going.

CHAIR—Do the older Koreans have the same sensitivity as the older Japanese? Are we going to be offending them unintentionally by somebody who simply gets the wrong sort of address?

Mr Macaulay—It is very similar.

Mr Ledger—You need to remember they come here for three or four days. In that time they visit Cairns, the Gold Coast and Sydney. They are not here long enough to even quite know what is happening. That is probably the main difficulty.

CHAIR—I am surprised that they can even take offence if they are going to go to all those places in three days.

Mr Ledger—A week is a long trip.

Senator McKIERNAN—You mentioned the Koreans and Taiwanese as probably following on this trend that has started. The tourism industry is important to Australia; it is a growing industry. One of the things we hope for out of the growth in the tourist industry is that it will provide jobs for Australians. If we are going to bring in people directly or employ people through employer nomination schemes or use people on working holiday maker visas to service these tourists, where will the opportunities be for Australians?

Mr Ledger—I think we are really talking about one or two positions. We might be talking about the tour group coordinator, but there is a lot of other multiplication from the dollars that those tourists spend here. I think it has to do with other issues relating to the vertical integration of the tourism industry. We need to try to discourage ownership of the hotel and the tour bus and the restaurant and the duty-free shop, or by the airline from the country. That is another issue which worries me.

Senator McKIERNAN—It is another issue which actually came into my mind.

Are we going to see a time when the Taiwanese airlines are flying in to Taiwanese-owned hotels, being serviced by Taiwanese?

Mr Macaulay—It is interesting that Australia out uplifts the Japanese three to one. Australian flag carriers operate three times as much capacity on Japan as Japanese flag carriers, which is quite interesting.

Senator McKIERNAN—That is useful information.

Mr Macaulay—It is actually one of the few areas where that is the case, but it is the case with Japan. It might have something to do with the financial situation of Japan Airlines. But it may be inappropriate to say that. I should not have said that.

The other point that you made, Senator, was about the program. The program is a great promotion of the young tourists to Australia.

Senator McKIERNAN—I want to come back to that in a minute. We got diverted to the Japanese, but I will come back to that. Apart from New Zealand, the Japanese tourist market is the one in terms of dollars coming in. Do they not deserve professional treatment when they come here rather than this sporadic pick up by somebody who is on a 12-month visa who can only work for three months in a particular job? Shouldn't we be looking after them a bit better than we are doing at the moment by hoping to catch a Japanese working holiday maker who is able to serve them and speak their language and provide them with the proper courtesies?

Mr Ledger—I do not know what proportion of the positions are filled by working holiday makers. My wife works for a business that provides a wedding experience for young Japanese couples who come here. It sounds bizarre, but they come here and have a white wedding. It is a big business. They certainly do not employ any working holiday makers because the complexity of the job and the interpreting that occurs is probably beyond someone who is only here for three months. So I am inclined to agree with you.

Mr Macaulay—I think there are other programs, are there not, for people to get temporary work permits in Australia? I think it is relatively easy to get them from Japan. I have actually employed Japanese in Japan to do that. You can do that if you are sponsoring it for a period of time and you have reciprocal aspects. That is not on a working holiday visa; that is a sponsored two-year work permit. I think the immigration officials here would know more about that.

Senator McKIERNAN—Thank you for that, Mr Macaulay. That is exactly the point that I have been making consistently through the inquiry. There are labour market agreements in place to service the labour market where there is a need to for specialist areas. I believe that the Japanese market ought to be serviced by that market rather than using the working holiday maker visa, which is designed for another purpose entirely.

I want to come back to where we started before we were interrupted—the value and the benefits of the scheme to Australia. These things are always at the whim of the politicians and the bureaucrats as to whether they remain or whether there are further caps or whether the caps are curtailed at a future time. What did that Channel 7 program say that caused you the grief to put your thoughts to paper?

Mr Ledger—It was *Current Affairs* bucketing the scheme. The problem was that it was not constructive.

Senator McKIERNAN—In what sense was it a bucketing?

Mr Ledger—I do not believe that it provided a balanced view of the scheme. It did not give adequate weight to the reciprocal nature of the scheme.

Senator TROETH—What aspects did it emphasise?

Mr Ledger—I had a problem with British backpackers being portrayed eating salmon sandwiches at Circular Quay with the implication that there was an Australian going hungry somewhere else. I just felt it was over the top.

Senator TROETH—Did it emphasise the employment aspects of the program in any way?

Mr Ledger—I think it dwelt very heavily on the labour market issue, which is only a very small part of what the scheme is all about.

Senator TROETH—How long was the program—a 10-minute grab?

Mr Ledger—It went for six minutes.

Mr Macaulay—It was a very short grab. I think they were trying to show, but they could not actually get enough footage to show.

Senator McKIERNAN—The assertion is made continually that the working holiday maker program is impacting on jobs for Australians, particularly young Australians, and the high level of youth unemployment that we have got in this country has to be taken into account. Do you agree or disagree with that? What impact do you think the almost 50 per cent increase in the availability of visas is going to have on the Australian labour market programs?

Mr Ledger—Firstly, I think you need to go back a little further and see that there were as many as 45,000 visas issued in the late 1980s, so the scheme contracted severely. We are really now back to where we were seven or eight years ago. Secondly, there are many, many young Australians working overseas and as long as there is the reciprocal

nature of the scheme then we do not believe that the argument that is being put by people perhaps who have not looked closely enough at the scheme stands up.

Senator McKIERNAN—Are we getting a 50 per cent increase in the number of people who are leaving on reciprocal agreement?

Mr Ledger—Over the years I have been interested to know from the department how many young Australians do go overseas and the answer has sometimes been, ‘Well, we don’t really know. We’re the Department of Immigration, we really don’t know.’ There is a figure quoted at 24,000 in the submission from the department, but I wonder whether that does not include people who have the right to work, particularly in the UK that I am familiar with but there may be other places, because they had a grandparent born there or they even carry a passport. Because we are a country of migrants, the same does not occur in the other direction.

Senator McKIERNAN—It extends to Europe now, because the British passport is now European or it can be a European passport. It gives them working rights in Europe.

Mr Ledger—We will just have to be so careful not to put up the barriers. I was in London recently. London is full of young European people working in that city and if Australia puts up the barriers we will be the losers.

Senator McKIERNAN—The minister has announced a cap for this current financial year of 50,000. Could that be extended even further?

Mr Macaulay—We would certainly hope so. Our concern is the cap concept. What I would like to suggest is that the committee keeps under review the number that gets issued, but does not actually have a cap, because the cap has that psychological problem that I spoke of before. I think the number who would be interested in having a working holiday visa to Australia will continue to rise as the country seeks to double the number of tourists coming here. I think there will be a doubling at least, if not tripling, of the number that would like to come in on these programs. But equally there is a very large growth in the number of young Australians seeking to go overseas to do the same types of things.

Senator McKIERNAN—I think probably that the caps are here to stay. It has actually been introduced in the general migration program, one of the categories that previously was not capped. So I think the trend is there and it is probably going to remain and, like it or not, you are going to have to live with it. With that in mind, from a cap of 33,000 in December last year to 42,000 in March of this year to 50,000 this year, it is a quite an exponential growth. Where is that going to leave you? What is it going to do to your industry? How are you going to be able to service growth of that nature?

Mr Ledger—The industry suffered very severely in the early 1990s when numbers

dropped off. The recession in many of the source countries affected the industry here, because numbers were not there and many people went out of business. I think now supply and demand are more in keeping with each other and we do not have any major problems there. I think you would want to go for cautious growth and I personally do not accept that a cap should be in place. The scheme ran without a cap for 20 years. Why is a cap suddenly necessary? The committee, we feel, ought to have a close look at what occurred when the scheme contracted. It seems to have contracted by itself.

Senator TROETH—Wouldn't that be because of the word of mouth passing on of economic conditions in Australia, at the same time as probably the contracting of economic conditions in Europe, so that everyone decided, rather than travel overseas, they would stay home and save their money, knowing that there were probably not many jobs available in Australia? The reason would be largely economic, wouldn't it?

Mr Ledger—Yes, we believe so.

Senator TROETH—I am just interested in whether you think we could take on board any aspects of overseas schemes which operate in other countries which we should consider for Australia, as far as the work conditions for working holiday makers who would like to come here are concerned. For instance, you spoke of the Canadian scheme to restrict workers in the food industry to those who could obtain a health certificate. What effect would something like that have here?

Mr Macaulay—Detrimental. It is just a silly one, I think. You asked for an odd one, so I—

Senator TROETH—So you think that is overregulation rather than a sensible measure.

Mr Macaulay—It has got nothing to do with the program. In actual fact, it has got to do with industry; it is a local employment condition in the industry. Anything like that just makes it more complicated and I do not think there is any advantage at all.

Mr Ledger—I think the scheme is already a good deal more restricted than it was. It used to be a one-year visa which was extendable for up to four more years. It was then cut back to being a one-year visa which was not extendable. There was no three-month restriction of any kind and then the three months was introduced. So it is already pretty tight, I think. You do not want to make it too difficult. We were talking about hoops to jump through—the Japanese have that reputation—and you just do not want to make it too difficult. Young people can be deterred. There is a \$145 application fee. That is a deterrent; it is much more than a fee for a tourist visa. Why is that necessary? I would be inclined to try and deregulate, if possible.

Senator McKIERNAN—Is there a problem with the fees? Don't you think it is

value for money? It is \$145 for a working holiday maker visa, which gives the individual the right to remain in Australia for 12 months—much longer than the normal tourist visa and it also gives the individual the right to work. Is that not value for money?

Mr Ledger—Yes, perhaps. But I would see the benefit of them coming here too. It is non-refundable. If I am rejected, I do not get my money back. I do not know how many are rejected, but hopefully not too many.

Senator McKIERNAN—It is a darn sight cheaper than the application for permanent migration or for business—

Mr Ledger—But we are talking about young people, students who might not have lots of money. Can I just return very briefly to the Japanese. One problem for them is that their language skills are not good. If somebody wanted to employ one, say in a job selling cakes in a shop, they might not have English language skills which are good enough to do that job. That means, therefore, they tend to gravitate to washing dishes in a Japanese restaurant or whatever. I think we just have to accept that that is going to be the case and that maybe, when they have done that for a while, then they can be more ambitious and have a go at something else. The same will occur, I would imagine, with Koreans or Taiwanese. I just do not know whether you are ever really going to overcome that with people who have got severe language disadvantages.

Senator McKIERNAN—Is it severe? We were told that Japanese school children do six years of English tuition in school.

Mr Ledger—Yes, usually up to 10, but the people who teach them English cannot speak it. They learn English like we learn Latin: in a very conceptual and grammatical way. There are not enough English speakers in Japan to go around all the schools, so—

Senator McKIERNAN—We are not still teaching Latin, are we?

Mr Ledger—So they do not speak it. They have got a good background in it.

Mr Macaulay—That is why there is so much employment potential in Japan, to just go there to practise English. They learn very formal English. It is probably a better English than our English in an Oxford sense, but their speaking of it, they are very hesitant to speak. They can understand better than they will speak. They just never had enough language practice, even if they have done 10 years of English at school. There is a huge demand to do that. The difficulty for young Australians going up there to do that is they have a lot of difficulty earning sufficient funds when they are up there to live. The salary that they can get from it is barely sufficient. So most of the Australians that do it are doing it to practise Japanese, doing the whole thing again the other way round again. That is actually who the majority are.

There is one other point that I would like to make. While the largest number come in to Sydney and depart from Sydney in our market, the primary reason for that is the airfares. All the cheap airfares to this country are on Sydney; they are not on the other cities. No matter what anybody says, that is the way it breaks. But a very large proportion of backpackers, from my experience now, are moving out of Sydney very quickly because they are finding Sydney \$3 to \$5 a night more expensive in the hostels and it is much more expensive to eat and everything else.

So the tendency is to move out of Sydney more quickly than it was in the past. I think we will see a tendency for these people to move more around Australia—particularly at this time of the year further north, but later on in the year when it gets to the warmer months, south and west—than it has been in the past.

CHAIR—It is an interesting point you made about the airfares. It is something we could, perhaps, look into and see what the difference is.

Mr Macaulay—Substantially so. All the specials—

CHAIR—Go straight into Sydney.

Mr Macaulay—Yes, and that has been the case for the last few years. While the standard airfares allow you to go into other cities, whenever it comes down to the specials—the net prices on the market that our type of market is buying—they are on Sydney.

CHAIR—Which takes me back to what you said before about the cost of the visa. As Senator McKiernan said, it is good value for money, but is there a chance of the young people saying, ‘Damn, I have got to pay \$150 for an Australian working visa, but I only have to pay X amount of dollars lower for some other country’s working visa and so I will go there’?

Mr Ledger—We are a long-haul destination. It is much more expensive to come to Australia than to go almost anywhere else. We just have to keep that in mind. People do not have to come here, there are many other places to go.

CHAIR—Yes, but surely if they have made up their mind to come to Australia, is the fact that the visa is going to be a bit more expensive going to deter them, do you think?

Mr Ledger—I don’t know.

Mr Macaulay—I think that the decision to come here for that long period of time—while the actual purchase is often very close—is made over a period of time. People say, ‘It is an objective that I will achieve in a couple of years time with my mates,

and okay, we will do it', type of thing. It is a long-term plan. And it is the perception of the market of what it is going to cost, what the total thing is going to be, what I am going to do—the attractiveness of it. We are competing, to an extent, with Latin America, Africa—those types of areas—not so much with the working holiday, but the total expenditure for that period of time.

CHAIR—You were also talking about the Japanese with poor language skills and the Koreans having to take, first of all, jobs in backrooms of restaurants, cleaning plates and things like that. Although I take your point that the biggest part of the reverse market going to Japan is in the teaching market, there is still a group of Australians that are going into those hotels, and I believe that they are taking those jobs in hotels in Japan. But then, I am also hearing that if they show that they are getting the language skills, they are actually being moved up into much more public positions where they have more interaction with the Japanese. Do you have any feedback on that?

Mr Ledger—There is a TEL program—I think it is—which is more formalised where young Australians can work in local government for a year, or teach for a year. I have only heard of people working in the ski resorts. I think that is becoming more popular.

CHAIR—And finally, you mentioned CES in your report—the Channel 7 program. Do you have any other information on that? Your supposition was that Murphy found that only 7.8 per cent of the working holiday-makers had used the CES, and that is in accordance with everything that you have understood?

Mr Ledger—I think anecdotal advice is that it is not the place to go to get a job.

CHAIR—Because it does not work?

Mr Macaulay—Go one step further: they actively discourage. The CES here in the city has a section for backpackers if they do go in there, or working holiday-makers, and they actively discourage. The word about it says, 'Don't do it.'

CHAIR—Okay.

Mr Ledger—I don't know if Sydney is the only place where that actually occurs.

Mr Macaulay—That is just for Sydney.

Mr Ledger—There are restricted hours. I think that is an example of the CES adapting to deal with a particular situation in a particular location.

CHAIR—So you would think that the CES in Sydney is discouraging the working holiday makers from using it as a source of employment?

Mr Macaulay—Yes.

Mr Lynch—Can I just make the comment that we were getting to a few things there with restrictions of visas and things like that. A comment I would like to put forward is that, with the working holiday visa, if they get it for a year, they pay their \$165 and they come to Australia, a lot of them are only able to work three months, and then you have to leave Australia to come back to renew that portion of the visa to do that.

Senator McKIERNAN—Why is that?

Mr Lynch—I do not know. Being a travel agent, I am booking tickets for people to New Zealand so they can go out of Australia to renew their working capabilities here.

Senator TROETH—How long would they have to go to New Zealand for to re-establish their entry qualifications?

Mr Lynch—They usually go for a week but, of course, what happens is they go for the week and forget to come back.

Senator McKIERNAN—Maybe you should not have said anything. It is my understanding that the visa they are issued with is a 12-month visa which entitles them to work while they are in Australia but not to work with an employer for more than three months at a time.

Mr Lynch—I have been trying to find the correct wording of all of this. The travellers themselves are perceiving it for what it looks like, saying, ‘Yes, we have to leave the country to get this renewed.’

Senator McKIERNAN—I might at the conclusion of this segment of the hearing introduce you to somebody from the Department of Immigration and Multicultural Affairs who might give you a telephone number of somebody who would provide you with the correct information.

Mr Lynch—I would like that.

Senator McKIERNAN—I think it is very important because if people like you in the industry do not have that type of information, it can lead to all sorts of distortions—and, of course, to New Zealand picking up Australian business.

Mr Lynch—And it does.

Senator McKIERNAN—They might even fly to New Zealand on a New Zealand airline.

Mr Macaulay—The thing that does occur, along with what was said there, is that, at the end of the period of their 12 months, some people do wish to continue to travel and they do that. They leave Australia and then come back as a tourist to do further travel. We do have examples of people doing that.

Senator McKIERNAN—That is different from what Mr Lynch said.

Mr Macaulay—Yes, that is definitely different.

Senator McKIERNAN—There is no ability to extend the working holiday visa in Australia at the end of the 12 months or, indeed, a visitor cannot get a working holiday maker visa whilst in Australia. It is something that is issued offshore.

Mr Macaulay—That is correct, and it is generally encouraged to be issued at their country of origin or residence.

Senator McKIERNAN—Generally, yes.

Mr Macaulay—Although I must admit that we do have anecdotal evidence that the authorities were quite helpful during the period when they were not issuing visas and said, ‘You will be able to get one when we reopen in Bangkok,’ and people were able to travel. But what you cannot do—

Senator McKIERNAN—I am sorry, that is the British market you are really talking about there. There is the ability for people of that nationality to get them at places other than in Britain.

Mr Macaulay—Yes, but not as easily as it is in Britain. The bureaucratic aspects of it, I understand, are slower.

Senator McKIERNAN—Quite rightly so, wouldn’t you agree?

Mr Macaulay—Yes.

Senator McKIERNAN—The checking of credentials and who people are. If you are in the country, you have an ability to talk with the police forces and the security forces.

Mr Macaulay—But what there is not the ability to do at the end of the 12 months working holiday visa is that, if they wish to travel on and still see more of Australia—

CHAIR—Is to transfer to tourist.

Mr Macaulay—Is to extend it to a tourist aspect. We do get examples of people

doing that.

CHAIR—Yes, that was raised earlier and is something we should certainly look at. But you have just raised another question. If, for instance, somebody came here as a tourist, a 23-year-old came here as a tourist, had not thought about it but came here, then when they got here from Britain or somewhere discovered that there was such a thing as the program—and I am sure there are some people who come here in ignorance—would there be a demand then to change that to the working holiday visa?

Mr Lynch—Yes, absolutely, and people will pay for it. That is for sure.

CHAIR—So you could perhaps envisage—and probably the poor gentleman from Immigration is about to have a heart attack as we go into this—a situation where you say, ‘All right, you have already been here for two months so we will issue a visa which takes you up to the end of that 10 months whereby you could work for the rest of that time.’

Mr Ledger—That arrangement is really biased in favour of the well educated and the well informed, to the person who knew someone who did it last year or the person who read the guidebook thoroughly. The person who sets off ill-informed—and young people do travel into Asia for some months often—could hear about it on the way or they arrive here too late and they have not sorted it out. So there is some discrimination against them. I am not sure whether that is right or not. I think it would create a lot of work if visas were available here, if there were an application process.

Mr Lynch—I agree but I also think it would be fantastic for the travellers to be able to use that. Most of the people that I work with want to do the right thing. They all want to be legal, work properly, use the right programs and do the right things. Nearly all of them say it is so they can come back and that sort of thing. So to use that as an argument for people to be able to work here, stay here, return and all of that sort of thing would be very positive.

Senator McKIERNAN—Looking again at your introduction and all those nice things you say about the program, I would be very careful about expanding it to a position where it becomes uncontrollable and falls into disrepute, because if that happens and it is costing the taxpayers money, you will not have a working holiday maker program and I think there would be many losers in the situation.

Mr Lynch—Yes, I totally agree. These are things that need to be looked at for a long-term view and very much so.

CHAIR—Thank you very much for your information. If we need any more, the secretary will write to you. Thank you.

[12.22 p.m.]

HARRIS, Mr Leigh Ellem, Director, World Travellers Network Pty Ltd, 14 Wentworth Avenue, Darlinghurst, Sydney, New South Wales 2010

CHAIR—Welcome, Mr Harris. The committee has received your submission and has authorised its publication. Do you wish to make a short opening statement or make any amendments to your submission? I think that you said in your submission that you had done it quite hurriedly.

Mr Harris—At the last minute, yes.

CHAIR—Is there anything that you want to add to that?

Mr Harris—The key points that I would like to comment on and points that I have some experience in relate to outbound programs for Australians taking advantage of work programs to the United States and also, in particular, the Dutch working holiday maker coming into Australia because we specialise in the Dutch market. But I think I will leave it open to your questions.

CHAIR—That is fascinating. Tell us about the Dutch working holiday maker. Is it working? Before you start, I will just say that I was on a radio talkback. Somebody rang in and said that he was actually of Dutch nationality, so he had no problem. But his wife, who is Australian, had a working visa to work in Holland. He basically said that they had laughed at the visa and said that it was not really worth anything. That was one anecdotal on the radio, so perhaps we could start with that. Is a common experience or is that something that you would not understand how it happened?

Mr Harris—My experience is with inbound Dutch working holiday makers coming into Australia, but we also get requests from Australians who want to go to work in Holland. Is that what you are referring to?

CHAIR—Yes.

Mr Harris—It is more difficult in the bureaucracy. My understanding is that once you have a visa to work in the Netherlands, you cannot then simply go and find a job and take up your employment; you must go and have your visa registered or validated, if you like, at a local office of the labour market. So that does make it more difficult for an Australian going to Holland. We have looked at the Dutch market for an Australian program to promote Australians go to work in Holland, and it is something that we will do in the future. At this stage it is too difficult for us to put together a comprehensive package the same as we do for a program into Australia. We would need to have a situation where we can easily access jobs throughout the Netherlands and provide the certain level of services that we are providing inbound.

It is more difficult. It is just that one bureaucracy, that one level of having to take your passport to a local office—a bureaucracy—and say, ‘Look, I’ve got a job down at the tulip farm, can I please do that?’ On average, it takes two weeks. In a lot of cases, by the time you have permission to work for that one job, they have found somebody else to do the job.

CHAIR—And you actually have to have the job lined up before you can get your passport stamped?

Mr Harris—In most cases. I am not an expert on this issue, but in most cases it seems that it varies from region to region because in the Netherlands each area is responsible for issuing this authorisation.

CHAIR—Do you have a Dutch background?

Mr Harris—No.

CHAIR—What got you into the Dutch market?

Mr Harris—We started promoting our programs in England and quickly discovered that the average English backpacker was not interested in having a support service in Australia. So we looked for markets that, by their culture, did like to be organised and prepared and have support when they travelled. The Dutch market fitted it perfectly. So we approached a reputable Dutch organisation to represent us in Holland. That was in 1991. We have increased our numbers and service since that time to the extent that last year we received just over 1,600 working holiday makers from the Netherlands. I believe that the number of visas issued was just over 2,000.

CHAIR—So you were actually dealing with almost all of them?

Mr Harris—Yes.

CHAIR—And what are the services you provide to them?

Mr Harris—We have a support service. We run and promote a program called ‘Work and Travel Australia’. It provides a platform of service and facilities to support young people coming in. For instance, all their mail will come through our organisation and be forwarded on. Their parents have a contact that they can call if they are concerned about their kids.

More importantly, we have a program of pre-departure information and preparation, which involves a face-to-face meeting in a group. We have that in Utrecht in the centre of the Netherlands. Our partner organisation hires the top floor of a conference hotel. We have a very intensive orientation, telling them what to expect, what to bring with them and

not to expect to have a job in an office block with a corner suite and a secretary, et cetera. We say that they will only be picking fruit and those sort of things. Opportunity is given to ask and answer questions and look at the travel possibilities so that they can perhaps plan ahead. On arrival, we do the airport pick-up and then there is an orientation period.

The first three days in Sydney are very important. The first day is what we call an anti-jet lag day. It is a day tour—a time to relax and get to know the people who are in your group. On the second day we have an intensive orientation, which goes through work responsibilities—employer and employee—immigration, responsibilities as to what the visa means, tax file number application, information about opening bank accounts, travel information, cultural differences, health and safety, how to use our services and facilities, what to do in case of emergencies and who to contact as you are travelling round the country.

We intersperse that with videos that are supplied by various tourists boards and travel operators. We have a very nice library of work and employment videos supplied to us. When one of the government departments was closing down we got a phone call saying, ‘Listen, we’ve got a whole library of videos. We’re just going to throw them out. Do you want them?’ So we have an employment area where people can come in and find out what it is like to pick fruit. We have a video from the Griffith area produced by the CES down there years ago. It shows very graphically what it is like to pick oranges for eight hours. We have our own video that we have made which shows backpackers—our participants—giving their advice on location in Bundaberg or Tully after picking bananas saying, ‘This is the worst job. If you can find anything else, don’t do it.’ So we have a lot of practical information and a lot of hands on assistance.

CHAIR—From your experience, having read the terms of reference, what are the sorts of points you would like to make to us?

Mr Harris—One of the main points is that the working holiday maker market is wide and varied. We have niches within that market. We happen to specialise in one particular niche, which is the Dutch market inbound. We have participants from other countries, but that is our speciality. However, as I said before, the English market perhaps is not as concerned with preparation and having things as organised and being as informed until they get here.

Anecdotal evidence that we have is that some countries and some areas simply prefer to get here and wing it and to make the decisions as they go, as opposed to the Netherlands, in particular, which is what I know most about. They do like to know what is going to happen to them on the second day and what is going to happen on the third day. The interesting thing is that by the time we see them leave Australia and leave the program, they are totally reversed. They have, indeed, taken full advantage of the culture here and they have imbibed it. They are very Australian. So we have people in the office saying, ‘Didn’t you tell me that your flight’s leaving in four hours?’ They say, ‘Oh, yes,

not a problem; there's still time; I'll get the bus a bit later.'

We see young people from Holland being very tense and very organised, saying, 'What do you mean you don't know what time you are going to start the orientation?'—it might be one o'clock or 1.15—to being very relaxed and very in tune with the Australian culture.

CHAIR—It sounds like we should recommend it for Dutch therapy—come to Australia for relaxation!

Mr Harris—Well, we are doing our best.

CHAIR—Does the cap pose a problem for you?

Mr Harris—It was a major problem. It was unexpected, although we had heard rumblings and so on. The problem—and I think the Backpackers Operators Association mentioned it as well—is that if there is capping at a finite number, people will—and we saw it with our program—get the visa as soon as possible, or people will say, 'Well, look, there is no point in me trying, because I won't be coming out of school. I can't make the decision until later in the year, because I don't know whether I have to go back and do some more education or what. I'll go to the United States.'

Australia, I think, in this market has, particularly out of Holland, gained a lot of advantage from the United States. The people that we are seeing, their older brothers and sisters, and perhaps the generation before them, would have gone to the United States without question. Australia is seen in The Netherlands now as being the new place to go. It is very desirable to come to Australia. Having the facility to work just adds to that benefit. Most of our participants would not come here unless they could work to offset their travel cost, because they are very careful people. They want to know, 'How am I going to finance this whole trip? I don't want to go with a one-way ticket and not much money.' They are extremely careful. So, by putting a cap on, I believe that there would be, as Gregor Macaulay said earlier, a rush on visas that may not be used, just wasted, or there would be a diversion to other markets and we would lose those people entirely.

CHAIR—On our administrative arrangements, from what you said about the young Dutch people coming here, these probably do not pose any problems to them. They are not likely to come here on a tourist visa and then decide they want to work and find they cannot get a visa. From what you have said, it sounds like most of them know exactly what they are going to do before they leave home, so there is no problem.

Mr Harris—All of our participants are very organised and prepared. Another important point is that we only work with partner organisations, so we only work with the local organisation in that area which specialises in youth travel, and there are many of them. There are many hundreds of organisations throughout the world, particularly in

Europe and North America, where this type of industry, this exchange of work programs, cultural programs, has been operating for many years on a much larger scale.

Our partner organisations have the responsibility of the pre-departure preparation, of making sure that nobody gets to the stage of applying for a visa unless they meet all the criteria first; that the visa regulations are fully explained. I was stunned to hear earlier that people were believing that they had to fly to New Zealand to revalidate the work part of their visa. That is an incredible thing. Obviously, that is happening. It can cause so many problems if people have the wrong perception.

Even with our orientation process, both pre-departure and on arrival, and our ongoing information—we have an information line so that people can call us anywhere within Australia and we have an emergency 1800 number so if they have any problems, they can just call us 24 hours a day—but even with all that, newsletters, the whole thing, people still misunderstand some of the regulations. While the Dutch do have a very, very high level of English competency, there are still those who slip through the net and they do not understand everything.

The culture is different. Just because they speak English well, does not mean that they understand the culture when they arrive. One example that I can give you is the tax return. A lot of participants believed that meant they would have their tax returned to them. Any tax that they paid, would be returned, as the name implies—tax return. So we spent a lot of time on taxation issues, explaining, 'No, you don't get your tax back, you do pay 29c in the dollar. If you are going to work for a fruit farmer and they say, "No, you only pay 15 per cent," that is not right.' You have to be the expert; the farmer is not going to be an expert on immigration law. So problems can still arise in those cases.

CHAIR—What sort of jobs do you find they are taking on?

Mr Harris—We have been specialising in Holland since 1991 and the majority have been fruit-picking, absolutely, without question. We have seen a trend over the last year to participants asking for more city based jobs, not just in Sydney, but in Brisbane, Adelaide, et cetera. Bearing in mind that our numbers have increased every year by 200 to 300 per cent, you have to make an allowance for just the number of people multiplying, so there are going to be more requests for different types of jobs.

However, the majority are still on fruit-picking, harvest work, farming work, outback stations. We have put a lot of people through jackaroo schools and then, depending on the school it depends whether they go on to paid employment or work-for-keep type of employment. But the majority is still in fruit-picking and rural areas.

CHAIR—How do you find the jackaroo/jillaroo schools are working and also the experience then on these stations?

Mr Harris—There are several that I am aware of. We use two, we are taking on a third and we are dropping one. I think it is important that you recognise that jackaroo schools as such are largely commercial enterprises. There is one particular school that we use and have done for some time which has always been consistent, has always been fairly priced—with all of our products, we go and check them out ourselves and so on.

There is another that started a few years ago, and it started off without any problems at all, but then we started to get more and more complaints about value for money, the type of expectation that was built up and then what they actually received. We are now winding down our relationship with that one in particular. But there are many, many outback stations who will take young people on and teach them the skills necessary for working as a jackaroo.

Many of them are some of the best experiences that our people have had. We get letters talking about their experience of working on a cattle station, thousands of kilometres from anywhere, and how it was just an opportunity that they had no concept that they could have taken part in before they came to Australia. These are people from urban cities in Europe and their farms may be two or three hectares with one or two cows, and now they find themselves in outback situations with immense cattle stations. That is a lifelong experience that they will cherish and benefit from.

However, the bottom line of the jackaroo schools is that they are the same as any commercial enterprise; they have to be monitored by the customers and by people recommending them. If their standards fall and the value for money is not there, then customers will not use them.

Senator McKIERNAN—An invitation to you: at the end of hearings of sessions like this, people go away and think, ‘I wish I had of said that at the time.’ You have only put in a very short submission, but certainly your contribution here this afternoon has been fascinating. If, after leaving this afternoon, you think of anything else you should have covered and did not cover the committee invites you to follow up on that. One of the things I have found very easy in listening to you is that you seem to understand and know what you are talking about. You have slipped from time to time back into backpacker mode, but essentially you have been talking about working holiday makers rather than what some of our other people have been doing, and you do understand.

It seems to me that a lot of the people that your company is looking after are mainly eastern seaboard based. Would that be true? How many other places within Australia would they travel to?

Mr Harris—Our head office is here in Sydney, so from a practical point of view we like to receive all of our participants through Sydney so that we can properly give them the orientation and introduction. However, again with partners throughout Australia, we operate service centre locations, so primarily in language colleges, business colleges

around the country in each capital city, we would have a small area within their building, their office, which is allocated to our participants so that they can go in and look at the notice board of updates that we have sent through, use our e-mail terminal and so on and so forth. So it is just a service centre. Through those service centres, we know that people—our people—travel everywhere, to places I have never heard of, to places I would never think of going to.

We have people who have worked in roadside diners in the middle of Western Australia, in the top north-west corner. It is quite common for people to be on cattle stations all over the country. Depending on the season, the fruitpicking and the weather, the usual pattern is that they will go north in winter and south and west in summer. We are in the process of doing a yearly survey at the moment, which we will have the results of in a month or two. I would be happy to provide that to the committee. I do not believe the majority of the people stay in Sydney.

Because we have an employment agency to service our participants—nothing else, it is simply there to service our working holiday makers—we have employers who call us from time to time and say, ‘Could you send me three people,’ or whatever. We have problems sometimes finding enough of our people in Sydney. They have all gone; they are nowhere to be seen. That is why we need service centres and that is why we send out newsletters—to keep them up to date and to say, ‘Listen, we know that there is going to be fruit picking in Griffith next month. Call into the office, telephone us and tell us if you want to register for a job down there.’ That goes on for Margaret River, Barossa, Bundaberg, Tully—all over the place. We try and network as much as possible so that we can have representation around the country, so that people can get out and can go wherever they like and not be restricted to having to be on an umbilical cord to Sydney. They can be free to roam.

Senator McKIERNAN—If they entered through Sydney, aren't they required to leave through Sydney again?

Mr Harris—No. Again, this is where the partner organisations are very important. They have to be able to negotiate airfares and provide airfares to people coming in or recommend airfares that are flexible. We have a whole range of flight options from Holland in particular. You can enter Sydney and leave Perth. You can enter Sydney and leave Cairns. You can have flight passes within Australia, do a trip to New Zealand for a month and then come back and go back via the United States and the Pacific islands or via Asia.

Senator McKIERNAN—I got somewhat confused with what you were saying in relation to the number of Australians going into Holland. I understood you to say that working holiday-makers going to the Netherlands are not issued with a working holiday-maker visa before they go there.

Mr Harris—My understanding is that they are issued with a visa which allows them to work, subject to having a further stamp or authority registered. I guess it is a two-stage visa. The first one is issued here and the second, for the actual physical working, is there. I may be wrong because we have not looked at that side of the reciprocation for about two years now. It was two years ago that we had discussions with the Dutch Consulate here in Sydney. Basically, what we got to was that there was going to be this problem. Through our partner organisation and visits there, we looked at various ways to facilitate a program. That would have meant either the program employing all of our people and then farming the labour out or preplacing people into jobs, which is something we did not want to get into. So we put that one in the too-hard basket and moved on.

Senator McKIERNAN—What conditions do the Dutch impose on Australians?

Mr Harris—Apart from that, I am not aware of any others. They can work in any industry. I am not aware of any other real restrictions apart from having to get a second stamp, if you like.

Senator McKIERNAN—Where would the Dutch people hear about South Australia and Adelaide before they even leave?

Mr Harris—Through our pre-departure information. I have a pack here. I do not know if you want it as evidence or a submission or whatever, but you will see that we have pre-departure information in Dutch and English which will inform people of what to expect and all about Australia. Then we have a survival guide and various bits and pieces.

CHAIR—Would you like to table that?

Mr Harris—Yes.

CHAIR—We will have it approved as an exhibit by the committee unless there are any objections.

Senator TROETH—Could I ask how your au pair study works? If people who use it are working in a home environment for up to 20 hours per week, how does that affect them with the limitation of three months work with one employer?

Mr Harris—The important point with the au pair study Australia program is that it is not on a working holiday visa. That is on a student visa. For a number of years we looked at ways of operating an au pair into Australia. Au pair programs worldwide within Europe and between Europe and the United States of America are an enormous industry.

More importantly, it is a very good way of young people safely travelling to another country for an extended period of time and learning about that culture. We have launched this program this year and so far we have had an enormous response, so much so

that we have had to restrict the applications coming in. It is an interesting point and it is a point I would like to make about the au pair industry in Australia.

I believe there are many working holiday makers who are taking up these types of jobs and working beyond the three months. I think this is a problem area. I think the majority of these situations occur not because people have set out to break visa law but simply because nobody knows or understands. The families certainly do not have the expertise or the knowledge or understanding of the visa limitations and they are not interested in getting involved in immigration. All they want to know is, 'Can look after my children? Are you a nice person? Can we live with you for six or 12 months?'

Senator TROETH—From a stability point of view, the family would want the au pair person to be there a lot longer than three months.

Mr Harris—Absolutely right. The problem is that there are many agencies, either unwittingly or not—I am not sure—who quite happily refer Europeans, not even necessarily on a working holiday visa, to a family. The family takes it at face value and thinks, 'Okay, this person has been referred by an agency so they must be okay.' Then they find themselves in a situation with no workers compensation, taxation or superannuation and the visa regulation has been broken without them setting out to do that.

Another reason we have started this program is that child care is a very important area. The benefits to American families and European families of having a young child carer in the home are enormous. We want to be able to provide that to Australian families as well. Since we have launched, it has been very popular. We point out the facts and ask, 'Have you had an au pair before?' Normally the answer is, 'Yes. We understand what an au pair is all about.' We would ask, 'Where was that au pair from?' and they would say, 'Norway.' We would ask, 'Was that person a student?' They would reply, 'No just here on a work visa.' We would ask, 'Did you ever see the visa?' and they would say, 'No. The agency sent her to me so she must have been okay.'

Senator TROETH—So your scheme is being run under a student exchange program—work experience in a way.

Mr Harris—It is a straight international student visa to Australia. All of our au pairs are enrolled in registered colleges here in Sydney. They all attend full-time study and within their allowed 20 hours of paid employment they carry out child care. It is a very structured program.

Senator McKIERNAN—Are you aware of the au pair system operating in any of the other cities with different companies? This is the first occasion I have heard of it.

Mr Harris—As far as I am aware, this is the first time a program like this has

been operated here on a reasonably large scale, although we are a very small company. I believe there have been some English language colleges and ELICOS is pushing for an au pair visa, if you like. I am not aware of any other programs operating.

Senator McKIERNAN—ELICOS pushing for an au pair visa? I got the impression yesterday that they wanted to extend the working holiday-maker visa.

Mr Harris—Maybe I am misinformed. My understanding was that they would like to see a new category of visa to take care of au pair exchanges. When we first looked at the program we thought there was an existing visa category that would handle it quite nicely. There is a cultural exchange visa. I cannot remember the category now because it was a year or two ago, but there is a visa in existence that could be utilised for an au pair cultural exchange.

CHAIR—You mention in your submission Conservation Australia. What class of visa do volunteers require for that?

Mr Harris—They can do it on any class of visitor visa—tourist visa, working holiday visa.

CHAIR—Do you know to what extent they are using their visa to enter Australia so that they can take part in Conservation Australia? Is it popular?

Mr Harris—Yes, it is a popular program. It is certainly not in the thousands that we have with the other programs. It is a couple of hundred a year and the majority are on tourist visas. The important thing is that with that program, with the Australian Trust for Conservation Volunteers, each participant fully pays for their accommodation and food and transportation and in fact pays a little bit more, which would go some way to offsetting the other costs of running the program.

CHAIR—I take it they are the sorts of programs you have overseas where you can go and work in Borneo with the gorillas. You pay all your own way and you get to work really hard, or on an archaeological dig. You get the worst of everything. You work really hard and you have to pay for the privilege.

Mr Harris—Exactly, yes. So it is for diehard environmentalists and voluntary conservationists.

CHAIR—And presumably those with enough money to support themselves.

Mr Harris—Yes, exactly. We get a lot of interest from the United States, quite often from older people, postgraduates, who have an interest and have time on their hands now to come and do six-week projects.

CHAIR—If they are using the working holiday visa, they would be coming and earning some money to help offset the cost of working on that program.

Mr Harris—Not really, no. With that program they have to prepay it, before they arrive here. So it is not a situation of coming, earning the money, then buying the conservation program and then moving on again. It is possible, if somebody were to approach the Australia Trust for Conservation Volunteers directly in their office in Ballarat, but I am not aware of any cases like that.

Senator McKIERNAN—I have misrepresented the ELICOS association. They did actually put forward something in their submission about a student au pair visa class. They were asking for it, but they were asking other things as well, which confused me. I just say that to put the record straight.

Mr Harris—Regarding the outbound programs to the United States for Australians, we have been promoting outbound programs for a number of years. Last year we introduced a program called Work and Travel USA for full-time tertiary students during their summer break to go and work in American winter resorts. We operate the Camp America program for summer camp placements of Australians and Au Pair America, which is placing young Australians with child-care experience in American homes.

With all these programs we have an enormous demand from American placements for Australians. We cannot recruit enough Australians to go on these programs. It is not a matter of there not being the places available for Australians and them being limited and restricted. This year, for instance, we placed 200 people in winter resorts in North America for this coming Christmas. We could have placed 500 quite easily. With au pairs, we could place 1,000.

When we started with the organisation based in America sponsoring the visa, they said, ‘Can we set your target at 1,000? We would love to take 1,000 Australians.’ We said, ‘No, we do not think we can achieve that.’ So there is an enormous area of possibility for young Australians to take part in these types of work programs just in the United States. If the reciprocation was opened up to other countries—they do not fit into those categories; they want to go to Europe—I think we could offer that quite well.

CHAIR—Thank you very much.

Resolved (on motion by Senator McKiernan):

That, pursuant to the power conferred by paragraph (o) of standing order 28B, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 12.57 p.m.

