



**COMMONWEALTH OF AUSTRALIA**

# **JOINT STANDING COMMITTEE ON MIGRATION**

**Reference: Working holiday visas**

**BRISBANE**

**Thursday, 26 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.

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JOINT STANDING COMMITTEE ON MIGRATION

*Working holiday visas*

BRISBANE

Thursday, 26 September 1996

Present

Mrs Gallus (Chair)

Ms Gambaro

Senator Stott Despoja

Mr Martin

Senator Troeth

Senator McKiernan

The committee met at 8.40 a.m.

Mrs Gallus took the chair.

**CHAIR**—I am pleased to declare open the first public hearing to be held in Queensland during the inquiry into working holiday visas by the Joint Standing Committee on Migration. This is the first major public inquiry into Australia's working holiday program which has been in existence since 1975.

This inquiry provides an important opportunity for the Australian public to have its say on a program which has become of increasing significance to Australia. Working holiday visas enable young people to enjoy an extended holiday in Australia and to supplement their funds by incidental work. At the same time the reciprocal nature of the scheme provides the opportunity for young Australians to holiday and work overseas.

During this inquiry we will consider the operation of the scheme and how it might best operate in the future. The committee is mindful that there are positive and negative aspects to the present scheme. We are aware that the scheme offers benefits to Australians who have contact with young travellers from other countries. Also, the reciprocal working holiday visa arrangements Australia has with other countries offer benefits to our young people who travel and work overseas. However, as part of our inquiry we intend to ensure that any changes to the Australian program take into account the impact on job prospects of young Australians.

Over the next few months as we conduct public hearings in cities and regional centres around Australia we will be hearing from many of those people and organisations who have made submissions to the inquiry. During the next two days in Brisbane and Townsville we will be hearing from various individuals and groups who have a special interest in the program, particularly through the tourism and horticulture industries.

Before commencing with our first witness, I remind everyone that these are proceedings of the parliament and warrant the same respect which proceedings in the parliament deserve. This committee does not require witnesses to swear an oath or affirmation, but this does not diminish the importance of these hearings. I am now pleased to call the representative of VIP Backpackers Resorts.

**BLANCH, Ms Janis, Manager, VIP Backpackers Resorts of Australia Pty Ltd, 13 Walter Street, Murarrie, Queensland**

**CHAIR**—Thank you for your submission to the inquiry. I now invite you to make a brief opening statement before the committee proceeds to questions. If you want to rely on your submission that is fine, but if you want to add to it or make some other comments it is up to you.

**Ms Blanch**—I just have an opening statement. I am here to provide information as to why the company and therefore the hostels believe that the government should not place a cap on the working holiday visa. It is evident from my detailed interaction with the hostels and owners and managers that the impact of holiday-makers from overseas is limited with respect to the overall job vacancies in given areas. The main jobs that backpackers require are short term and unskilled labour in local areas and often within walking distance of the hostel. In many cases the hostel owners themselves employ their guests for various short-term tasks. The above points have all been explained in detail in the original submission to the committee. You have before you a folder with a brief overview of our organisation, and I will be happy to answer any questions that you have for me.

**CHAIR**—Thank you very much for that. I will put that straight to the committee.

**Senator McKIERNAN**—Your submission, together with a number of other submissions, to my view fails to draw a distinction between a working holiday-maker and a backpacker.

**Ms Blanch**—Drawing a complete distinction?

**Senator McKIERNAN**—A working holiday-maker may be a backpacker, but a backpacker is not necessarily a working holiday-maker.

**Ms Blanch**—That is exactly right.

**Senator McKIERNAN**—I did not think that that distinction was drawn clearly enough in your submission. For example, you talk about working holiday-makers being able to work in the hotels in which they are staying. Are you talking about backpackers being able to work in hotels?

**Ms Blanch**—Specifically we would be talking about the backpackers, yes, because it is backpackers that stay in our hostels.

**Senator McKIERNAN**—Where I am coming from on this, I see working holiday-maker visas being a very privileged visa, not only for people coming into Australia but also for Australians going to other places. It gives them the ability to work in another

country. A backpacker or a tourist does not have that privilege.

**Ms Blanch**—I'm sorry; I don't understand where you are coming from.

**Senator McKIERNAN**—I haven't got the figures now but, as I recall it, some 20 per cent of the backpackers that come to Australia are working holiday-makers. It means 80 per cent of the backpackers that come here are not allowed to work legally.

**Ms Blanch**—That is right.

**Senator McKIERNAN**—And that is where I think there is no distinction in your submission between a working holiday-maker, a very privileged individual, and a backpacker, a person who comes in just for tourist reasons or for holiday reasons. Do you ever draw that distinction between them?

**Ms Blanch**—Do we draw a distinction between the people that stay with us as backpackers and the people that are working holiday-makers that stay with us?

**Senator McKIERNAN**—Yes.

**Ms Blanch**—I am sorry; I can't answer that.

**CHAIR**—In the VIP Backpackers Resorts' submission, there is the comment that some backpackers will only come to Australia if they can obtain a working visa.

**Ms Blanch**—Exactly.

**CHAIR**—In your experience of the people you are aware of, what proportion would you think came on the basis that they were working holiday-makers, and what per cent would be simply backpackers who had no intention to work?

**Ms Blanch**—It would be about 40 per cent of backpackers intending to work. They want to work; they would like to obtain work visas before they come into Australia.

**CHAIR**—One of the problems that we have found is that young people say that the working holiday-makers, especially in Queensland and in the tourist industry, are taking jobs away from local people. Do you have any feelings about that at all, or any knowledge about that?

**Ms Blanch**—I think I have covered that in the submission. I think if we look at the local people themselves, we have spoken to the local people wishing to employ—and our backpacking hostels work fairly closely with those people, especially in the Bowen area—I think it is 80 per cent of the backpackers gain work in that local area because there are not enough locals to provide the work for the picking of grapes or whatever they

are doing in that local area.

**CHAIR**—That is in the horticultural area. What about the tourist area?

**Ms Blanch**—As far as Airlie Beach, for instance, which is a good one, where a lot of people go to stay and work, most locals are employed, but there are times when the season is very busy that they do tend to back up with the working holiday-maker. And the people themselves in small businesses have jobs, whereby there is not enough local people wanting to work for one or two days at a time as the demand requires.

**CHAIR**—Have you yourself noticed any hostility in any of the local areas towards the working holiday-makers? Has anybody, just in casual conversation, raised it with you that they have prevented their own children or their friends from getting a job?

**Ms Blanch**—No, not to me and not personally, and I have travelled through quite a lot of the areas where our backpacking hostels are. No.

**CHAIR**—Senator McKiernan, could you take over the chair? Thank you.

**Ms GAMBARO**—In your submission you spoke about the visa area. Can you just expand for us what you mean by saying that there should be emphasis on issuing visas and they should be placed on the department giving the visa? Also, and I have read it in another submission, you mentioned that working holiday-makers should arrive in Australia with a certain amount of funds. Is that causing problems as well because, I think in another submission, the same suggestion was made. At the time of applying for the visa, they state they have certain numbers of funds, but when they come into the country, that is certainly not the case.

**Ms Blanch**—That is right. We have several agents in Sydney who look after what is called meet and greet programs. The meet and greet programs are where the backpacker lands in Australia with a pre-paid night, and the organisation meets and greets them at the airport and brings them in, and then organises jobs for them on arrival.

The biggest emphasis there is that there is a prerequisite and before they are granted their visa they must have certain funds to sustain them when they arrive. They may have those funds when they are leaving or they may have those funds prior to leaving, but then expend those funds before they do leave. When they land here in Australia they have significantly less funds than what they had before they left. When they arrive here we have no mechanism in place whereby we re-check what funds they still have in the bank. In certain instances that puts the backpacker under certain pressure to gain immediate work. Thereby they are quite forceful in the way they look for jobs and it could put them in a position of taking a job for a significant less wage than what normally one of our people would.



**Ms GAMBARO**—Does that happen in a lot of cases?

**Ms Blanch**—It does happen in quite a lot of cases, yes.

**Mr MARTIN**—Are people aware that that is the case and take advantage of that?

**Ms Blanch**—Yes, in certain cases an employer would take advantage of that.

**Mr MARTIN**—It is a source of cheap labour for some employers.

**Ms Blanch**—Yes.

**Mr MARTIN**—Backpackers and others who arrive in Australia with working holiday visas have indicated in their declaration before coming to get their visa that they have got a certain level of income. When they arrive they do not have that income and therefore they are susceptible to taking a job just to sustain themselves. Employers know that and as a consequence get cheap labour, is that right?

**Ms Blanch**—Yes. I see that as being the case and that is where the government had let itself down. The visa is a good idea, but you must follow it all the way through to landing here in Australia as well. You have no mechanism.

**Senator TROETH**—How did you get over that particular problem of working holiday-makers being able to be exploited, which is what is being suggested?

**Ms Blanch**—There must be a prerequisite for them to have the money in the bank in Australia. For instance, I have one large world travellers' network which provides a lot of backpackers coming into Australia from Holland. They actually make the backpacker deposit funds in a bank account so that, if they do land in Australia and they do get into trouble, they then have funds that they can draw on while here in Australia. That is a prerequisite for part of their travelling within their group.

**Mr MARTIN**—Do you know if the reverse situation occurs with young Australian holiday-makers who have obtained working holiday visas for overseas countries? Do they have to prove in the country of destination that they have the actual funds in an account before they arrive?

**Ms Blanch**—I am sorry, I cannot answer that question with authority and full knowledge. I can only say I believe that going into the United States that is the case. You must have sufficient funds to buy your ticket home or you must have a ticket to go home with. But I cannot answer that. I can come back to you on that if you like.

**Ms GAMBARO**—Can I just add to the questioning on this vein? With the exploitation of workers for less than the award wages, do many of them come back to you

and complain about the conditions that they have been working under and does that leave them a poor impression of this country?

**Ms Blanch**—In certain instances the association has received letters from backpackers who have been badly treated out in the environment where they have been working and staying, yes.

**Ms GAMBARO**—What further action do you take as an association? Do you report?

**Ms Blanch**—As an association we respond to the person who has written to us, we then send that complaint on to the hostel. We take the matter up with the hostel if they are a member of our association. We find in lots of cases that the backpackers have no general place to write to. There is no board, backpacking board or complaint tribunal, so they look at us as being an avenue. It may not necessarily be one of our hostels and in that case we have very little jurisdiction to do anything about the situation.

**Ms GAMBARO**—So it could either be a hostel or what industries are some of those complaints coming from? Is it from fruit growing areas?

**Ms Blanch**—No, mostly in the Sydney and city areas.

**Ms GAMBARO**—In restaurant industries? Can you give us a few examples?

**Ms Blanch**—Mostly within our own hostels, believe it or not, and also within the local shops, activity centres and the like which do tend to employ the backpacker.

**Mr MARTIN**—Are language skills important to some of these people in getting jobs? Is that something which appeals to some employers in Australia?

**Ms Blanch**—No, not necessarily so. Most employers find that the European people are very hard workers, as with the Japanese and the Canadians. So they are very interested to employ them, because they also bring skills into the industry as well.

**Mr MARTIN**—From your experience, what is the profile of the working holiday visa holder? What is the profile of the young people who come into this country for a year or so, want to work and want to also explore Australia?

**Ms Blanch**—The person themselves?

**Mr MARTIN**—Yes.

**Ms Blanch**—Mostly they are highly educated, in between doing a degree and going on to the workplace or have attained their degree and worked for 12 months. They

are wanting to experience something of life and get a broader expectation of what the world has to offer. They use the visa to explore this country, not to work and make money. The main aim is—if they have funds in the bank which they usually keep—if they land in an area, they would like to do all the activities in the area, experience everything that happens there and get to know the local people.

They try to gain some short-term employment to subsidise all the tours that they will take, for instance, to Yeppoon. They might want to go over to Great Keppel. They might want to go deep-sea diving. They might want to go bungee jumping. They might want to go skydiving. All of those things are expensive. They all belong to local people and local areas. So they stay in the hostel and try to gain any sort of work. They will clean toilets. They are quite happy to clean toilets for two days or three days if it is going to earn them \$30 so they can go and do their bungee jump or they can go and do their skydiving. They expend it in that area, then they have their funds still in the bank and they move on to the next area.

**Mr MARTIN**—Do these people have any expectations of what Australia is like before they arrive? Are they people who try to gain an insight and develop some expectations about our country through talking to tourist organisations or talking to backpack organisations overseas before they arrive? On the basis of some factual information, do they then determine where they will go or is it just a matter of chance?

**Ms Blanch**—Fifty:fifty, I would say on that question. Fifty per cent of them would like to know exactly what is available in every area before they land here. They program themselves to take in all of those attractions and see all of Australia. The other 50 per cent say, 'I'm buying an airline ticket and I'm landing in Sydney and where the wind takes me, is where I will go.' It just depends on each person's nature as to which way they develop.

**Senator TROETH**—When you say that the backpackers or the holiday-makers will take any sort of job such as cleaning toilets, in the sorts of places where they get those jobs, what would the owners do if the backpacker or holiday-maker had enough money in the bank—as we suggested earlier—and did not need to take the job? Where would that source of labour come from?

**Ms Blanch**—I am sorry, I could not answer that question. Probably from the local people that were not travelling around.

**Senator TROETH**—Therefore in your experience, are the local people unemployed because the backpacker or holiday-maker is given the job?

**Ms Blanch**—In my honest opinion, I do not think so. No. I think it is a perception thing. If the local was able to have the job, they would take it. The local employers have always stated that if they want local people, they will employ local people first and they will employ the WHMs second.

**Senator TROETH**—But they do not have a definite policy as far as that?

**Ms Blanch**—No, they do not have a definite policy.

**Mr MARTIN**—What about people who take longer than just a couple of days work here and there? For example, people who come to Australia, decide that they want to stay in one particular area for a longer period of time and to supplement their ability to do so they take a job. Do those people have certain requirements on them? For example, I am thinking in terms of having a tax file number, having to have themselves registered so that they are actually going to be paying some tax on their work, employment declaration forms and the sorts of things that people normally have to do in Australia if they are applying for a job. Do those sorts of things apply to these people?

**Ms Blanch**—In the experience I have had, very few of them do that. Most of them come here on a 20-week to 50-week holiday, and staying for any more than one or two months in any area is not their objective. There is also the fact that they are aware that they are only able to work for three months for any one particular company. They are aware of that. They seem to be aware of all the criteria that we set down, so they do know. Very few people I know of, or have had experience with over the two years, have ever stayed and worked any longer than one or two days, a week, maybe, at the most.

**Mr MARTIN**—And most of the jobs that those people take would be cash in hand?

**Ms Blanch**—It depends on the employer as to how they are employing them. They must always show their working holiday visa. I cannot answer, from the employer's point of view, how they actually pay them.

**Mr MARTIN**—But from an employer's point of view, and the backpacker themselves, the most advantageous way to get recompensed for a couple of days' work would be cash in hand.

**Ms Blanch**—Yes. I would say—

**Mr MARTIN**—That is going back to your earlier comments about some employers exploiting people and paying them low wages.

**Ms Blanch**—Yes. I know, for instance, our hostels will allow the backpacker to do work for a couple of hours and give them a night's accommodation in recompense for the work that they have done, and that is as far as the hostels will go.

**Mr MARTIN**—And in effect that is not really doing a local out of a job, is it?

**Ms Blanch**—No, it is not. The backpacker cleans the toilets and cleans the bathroom. For cleaning the toilets and the bathroom they get their night's accommodation, which is \$15 a night. So, really, the hostel owner is quite well off by having the backpacker do the toilets for him for \$15.

**Mr MARTIN**—And the backpackers themselves are not turning into overnight millionaires.

**Ms Blanch**—That is exactly right.

**Senator STOTT DESPOJA**—Ms Blanch, can I just return to the comment you made earlier about the need or perhaps the idea of having a prerequisite or a bond or a surety of some kind? I would like you to elaborate on that. I am a little concerned because isn't the notion of a working visa and a working holiday simply that—that people who come here on holiday are able to work to fund their holiday? Wouldn't having a prerequisite of a bond or a surety of some kind perhaps have the potential to limit the access to working holidays, especially for people from lower socioeconomic groups? We might actually find that it is people who can afford to come out here who are coming out here. Does that concern you at all?

**Ms Blanch**—I think, looking at it from the point of view of the Australian people trying to protect their jobs, it is important that the backpacker is able to support himself if he does get into trouble while he is here in Australia. We can say the same thing—I suppose we should look and see if it is put on our young people when they go overseas, if there is a prerequisite. But I am not sure on that point. I really can't answer it the other way.

**Senator STOTT DESPOJA**—That is something, I suppose, the committee can look into. But I am just wondering if you have a nominal fee or a suggestion as to what kind of an amount or—

**Ms Blanch**—I would say in the vicinity of \$2,000. Two thousand dollars will usually get you out of trouble pretty much anywhere. It will get you a ticket home; it will last you a couple of months to look for work. I think it is taking the pressure off them looking for work and taking anything that is the prime reason.

**Senator STOTT DESPOJA**—You mentioned a company earlier that you were aware of that had that prerequisite. Is that a comparable amount?

**Ms Blanch**—They thought that was a good idea. Yes, that is right.

**Senator STOTT DESPOJA**—Thank you.

**Mr MARTIN**—How do you determine where you establish a backpacker hostel?

**Ms Blanch**—Usually by what Greyhound does in their bus route. Most of the backpackers travel around Australia on a bus, so therefore the dropping off point for the bus depots, and also what activities are available in that location. There are some locations in Australia that a backpacker would never go to. But there are other locations—like the Great Barrier Reef, for instance—that have the tourist things that they want to see: Alice Springs, Darwin, the outback, cattle stations, properties and things like that.

**Mr MARTIN**—Why isn't Wollongong on there? I will save that for another time.

**Ms Blanch**—If you will approach a hostel down there, we will certainly look at it for you.

**Senator TROETH**—Do you assist backpackers who come into your ambit to find work before they travel to new areas? Do you give them any ongoing information, references or assistance?

**Ms Blanch**—As an organisation, no, we do not. As I said, there are various travel agents in Sydney, which is the main base for income on arrival, which have established businesses based on those criteria, and they look after that quite well.

**Senator TROETH**—Right.

**Ms Blanch**—But we do not as an association, no.

**Senator TROETH**—And have you had any feedback from working holiday-makers or backpackers who have been to those areas and then back again about the way in which those references assisted—or were they successful as a result?

**Ms Blanch**—Most are successful in gaining work, especially like the working farm type of organisations. With our own hostels, you will see I have a hostel in Bowen who advertises in our accommodation book that he will guarantee work on arrival. There is another one in Bunbury in Western Australia. They will guarantee work in the local area—I think it is apple picking—on arrival. They do advertise that in their book for the backpacker.

**Senator TROETH**—And would they advertise that year round?

**Ms Blanch**—They do advertise it year round, although it is seasonal work.

**Senator TROETH**—So are they always able to guarantee work?

**Ms Blanch**—No, they never state that they will guarantee work; they always state

that they will assist with work.

**Senator TROETH**—I thought you just said that they would guarantee work?

**Ms Blanch**—The agents in Sydney that look after the backpackers when they arrive basically say they can guarantee working holiday-makers jobs on arrival. That is part of their mandate, that they guarantee that. We don't.

**Senator TROETH**—So that is work in Sydney that they guarantee?

**Ms Blanch**—No, they don't only look at work in Sydney, they look at work on farms and in other agencies. They arrive in Sydney, and the agency in Sydney will place them in all types of jobs around Australia, thus on-forwarding the backpackers out of Sydney on their trip around Australia. So a backpacker will come into the office and say, 'We want to travel in this vein'; they will look on their list of jobs available and they will say, 'All right, these are the jobs that you could get and are possibly available for your trip around Australia.'

**Senator TROETH**—And have you had any feedback on the success or otherwise of that?

**Ms Blanch**—Speaking to the backpackers themselves, they have not had any problem gaining those jobs while travelling around Australia.

**Senator TROETH**—So they have not been guaranteed work in a sense and then got to an area and found that it is simply not available?

**Ms Blanch**—I believe from some media last year that there were some instances that that did happen, but I can't—

**Senator TROETH**—You can't comment on that?

**Ms Blanch**—No.

**Ms GAMBARO**—Ms Blanch, in your submission you mentioned that you were directly concerned about placing a cap on the working holiday program. When there was a previous cap introduced some time back, what effect did it have on your industry, and can you just expand on your reasons for that?

**Ms Blanch**—The hostels in Sydney are my main source of information for that and, as it is the main place the backpackers come into first, their biggest comment was within one month of that cap being placed they noticed a significant drop in the number of backpackers or working holiday-makers coming into Australia. The main reason was given that they were not able to get a visa so therefore they went to Canada or they went

somewhere else where they could get a working visa. It did drop—I think it was 20 per cent, my Sydney hostel said—over that space of time. And then again, when the cap was lifted and the 9,000 was put back on, it did take another couple of months for the backpackers to start coming back into Australia. So there was a rise and fall of the numbers coming through the country at that point in time.

**Ms GAMBARO**—That is about all I want to ask. Thank you.

**Senator McKIERNAN**—Following through on those figures, I am still not able to understand them. A cap was put in to limit the numbers to 33,000. That announcement was made in December of that year. It was only lifted by 9,000 to the 42,000 in March of this year.

**Ms Blanch**—That is right.

**Senator McKIERNAN**—This was my earlier questions about the distinction between working holiday-makers and backpackers. We are talking now about having a cap of 42,000 working holiday-makers and a quarter of a million backpackers coming into Australia. If 9,000 is going to have such dramatic effect on the hostel industry, I cannot see how the movement of 9,000 people out of that 250,000 can be so significant. If backpackers are not being used by some as working holiday-makers, it would be an illegal act, because they do not have authority to work.

**Ms Blanch**—We have 10,000 200-bed nights per night. So at any one time we have 10,000 backpackers staying in our hostels. Nine thousand equates to quite a significant number of those bed nights. The backpackers themselves like to have a working holiday-maker visa before they arrive. It gives them sort of security, whether they use it or whether they do not use it. In this industry it is a perception thing. They like to have that visa as a sense of security. The fact that the government announced that it was capping stopped the potential traveller in our industry from even applying or thinking of coming to Australia. I think a perception thing was there.

**Senator McKIERNAN**—But the argument is not being put forward in a perception sense. The argument is being put forward as a fact. Let us just look at the statistics again in very rough terms. A quarter of a million backpackers coming in, out of which 30,000-odd are working holiday-makers. Out of that conundrum you can see there are about 220,000 people who come here as backpackers who are not allowed to work.

**Ms Blanch**—That is right.

**Senator McKIERNAN**—The restrictions and the cap that was put on, was put on those people who are allowed to work.

**Ms Blanch**—The majority of people backpacking do not want to work and do not



require to work, but those who do are the ones who are not coming.

**Senator McKIERNAN**—The other question I want to ask is, do you have any thoughts or does your organisation have any thoughts on the three-month working limit that a working holiday-maker is allowed?

**Ms Blanch**—The three-month limit where they are allowed for one employer?

**Senator McKIERNAN**—Yes.

**Ms Blanch**—As I said before, the backpacker would not want to stay any more than three months in one place. Their main aim when coming to Australia is to see all of Australia and Australia is a vast country. As a matter of fact when they arrive here and they realise the distance from Sydney to Cairns, for instance, and they have allowed themselves X number of weeks to get there, they have not got enough time. So you are saying you want to increase that?

**Senator McKIERNAN**—No. I wanted your view.

**Ms Blanch**—I would not think it necessary for the backpacker to have that increased, no.

**Senator McKIERNAN**—Would you say that applies to the Japanese working holiday-maker?

**Ms Blanch**—Our industry does not have a lot of Japanese travelling in it, so I could not answer that question for you.

**CHAIR**—It raises the question of which nationality do you see most in backpacking hostels?

**Ms Blanch**—Mostly English, then Canadian—all European.

**CHAIR**—You said you do not see many Japanese backpackers. Where do they usually stay?

**Ms Blanch**—We do have a sprinkling and hostel owners have mooted to me that they are pleased that the Korean and Japanese market is starting to understand the concept of backpacking. You have to understand with the Japanese and the Koreans that their concept of backpacking is totally different to the Europeans and the English. The Europeans have grown up with it. The Japanese and the Koreans have not grown up with it.

**CHAIR**—Is there a misunderstanding amongst some of them of what backpacking entails or what the working holiday visa entails? Could you just elaborate a bit on that from your own personal experience?

**Ms Blanch**—I spent last night at a Korean English language college trying to introduce the backpacking industry to these students. Language and culture is the main barrier and being able to understand what backpacking is. They call it ‘bagpacking’, but they do not foresee that ‘bagpacking’ is somewhere to stay. They think you put the bag on your back and you pack around, but they do not see it as being an accommodation or a lifestyle. It is a concept they have not come to yet. The Japanese are more accepting. They have been travelling a lot longer, but they have specific requirements when they are staying in a place which sometimes our hostels are not able to give.

**CHAIR**—Can you tell us what those requirements are?

**Ms Blanch**—A bath.

**CHAIR**—What do you offer?

**Ms Blanch**—A shower.

**CHAIR**—I take from what you are saying that they are actually overcoming that, but that is one of the preconceptions that they arrive with. Because they are a society that looks for a bath, they are looking for their bath here which they can only get through hotels and motels and not through your backpacker resorts.

**Ms Blanch**—That is right, yes. It is just an acceptance of a different lifestyle. They are used to their lifestyle and have to integrate into our lifestyle. Backpacking around is a rougher, more haphazard way of life.

**CHAIR**—From your limited experience, do you think that, once they adapt to the fact that this is a different lifestyle and a different cultural experience, that then becomes a positive experience for them?

**Ms Blanch**—Yes.

**CHAIR**—The reason why I ask this is because it has been put to us that the older Japanese tourists—although I am aware that backpackers are not necessary young—or the more conventional tourists who come in on tours prefer to have their Japanese culture reinforced here. They like Japanese tourist guides, rather than Australian tourist guides, because the Japanese tourist guides are more familiar with the Japanese culture. I wondered if that may be a first impression, but if they got a wider cultural diversity from having Australian tour guides that might increase their enjoyment of the new experience.

**Ms Blanch**—My experience with them is that they do not want to be looked after by a Japanese tour guide. They do want to go out. Three weekends ago two Japanese were up at Yeppoon with me. We went out scuba diving, then we came back in and we went out dune bugging. They did not want to be with their own environment. They wanted to be out doing what we were doing, barbecuing, picking oysters off the rocks and going over the dunes. That is what they love and that is what they want to do. They want to know our culture. They want to get to know exactly how we enjoy ourselves and not be put into a vein of ‘this is what Australia is all about’.

**CHAIR**—How old was the group you were dealing with then?

**Ms Blanch**—Twenty-three to 25.

**CHAIR**—So they were a younger group.

**Ms Blanch**—Yes, that is right.

**CHAIR**—When the tour operators say they prefer to have Japanese tour guides, it is the older groups that they are talking about.

**Ms Blanch**—I would agree that it is the middle-aged tourist, yes, but not the young students who have got away from home and are over here studying the English language. They want to get out.

**CHAIR**—I think the young are always more adaptable, but maybe that is unfair. Can I ask you finally, by going through your own personal reminiscences and talking to young working holiday-makers themselves, has anything come from them that they have complaints about? Have they raised anything with you like, ‘Look, it would be better if’, or ‘Gee, this aspect of the experience was bad because’?

**Ms Blanch**—I cannot say that there has been anything, no.

**Senator STOTT DESPOJA**—Returning to the issue of age, I do not know whether it is an impossible request to find out what the average age of backpackers in your organisation would be. I note you are in direct competition with YHA, but do they get a larger share of the youth market than you do?

**Ms Blanch**—No, we have exactly the same number of hostels as YHA here in Australia and in New Zealand, but worldwide they have considerably more. We have only 600 worldwide; they have 5,000 worldwide. The age group is 18 to 40.

**Senator STOTT DESPOJA**—I note you mentioned earlier about receiving complaints. I was not sure if you meant from people who were backpackers, those with visas or the industries they were working for that you mentioned as well. Do you feel that

there are satisfactory grievance mechanisms and channels for complaint?

**Ms Blanch**—No, I do not think so. In the backpacker industry, they do not know where to make contact, so they contact us or they contact YHA. Some of their grievances range from how they have been treated to how they have been looked after and what has happened to them. As I said before, we can deal with it if it something pertaining to our hostel and our hostel chain. If it is not, and if it is relating to any other hostel that is an independent hostel or a privately owned hostel anywhere around Australia, they have no grievance committee or no-one to whom they can write their complaints. Sometimes they go home from this country, having had bad experiences and having been unable to vent their anger, and so they go home with a bad perception of what has happened to them.

**Senator STOTT DESPOJA**—Do you have any suggestions—perhaps models from other countries—as to what we could establish or what mechanisms could be set up here?

**Ms Blanch**—Yes: a centralised organisation that actually oversees the backpacking industry. It is a very big industry. It is worth \$9 million to Australia this year. Our 10,200 bed nights, for instance, are worth a considerable amount of money to Australia. One of our hostels alone, in one area of Coolum, is worth \$3.9 million per year to the local area. It is an industry that we should look after, and it is going to grow.

**Senator STOTT DESPOJA**—Finally, do you see the government as playing a role in that?

**Ms Blanch**—Yes, I do—very much so.

**CHAIR**—As there are no further questions, Ms Blanch, I thank you very much for making the effort to come here and talk to us today. If at any other time we may wish to get back to you, the secretary will write to you, perhaps, to ask for some elucidation of some comments. Thank you very much.

**Ms Blanch**—Please feel free to do so. Thank you very much.

[9.23 a.m.]

**KEPPIE, Mr Garth Victor, State Vice-President, Gold Coast Chairman, Queensland Japan Chamber of Commerce and Industry, C/- QCCI, Wickham Terrace, Brisbane, Queensland 4000**

**CHAIR**—Welcome. The committee has received your submission and has authorised its publication. Do you wish to make any short opening statement to go with your submission or to amend your submission in any way?

**Mr Keppie**—Thank you very much. Firstly, I apologise to the committee for being late. I am sorry about that. I left the Gold Coast at 7 o'clock, thinking there was enough time, but it is very hard to judge the traffic. Our submission is very much written from the point of view of the chamber's experience in relation to working holiday visas. That experience is restricted to the tourism industry and, in particular, to the tour guide side of it, and then only as it relates to Japan, because obviously that is where our experience lies. I should add that, whilst I am appearing in my capacity as chairman of the Gold Coast branch, my experience in the area outside that is also as a former corporate solicitor with the Daikyo group for about eight years. I also operate my own English language college. We have students from all over the world. That is on the Gold Coast as well, so there is some experience outside our Chamber of Commerce which I have.

**CHAIR**—You seem eminently well qualified to comment. Are you opening for questions now? There is nothing else you want to add? What I thought was very interesting about your submission is that you touched on what has become one of the key points of this inquiry: the conflict between the tourist operators who say they really need the young—and especially the Japanese—working holiday maker, because the Japanese tourists appreciate someone who understands their culture and their language to give them their tour guide experience. On the other hand, we have submissions from young Australians who have learned Japanese and feel that they are being discriminated against in a number of areas. They say that these young working holiday-makers are taking up the jobs, therefore they cannot get them. They also say, because there is no award in the area, that these young holiday-makers are forcing down the prices so that if they do get the jobs they are not being paid very much. That, I think, is becoming one of the key issues.

I think your response to that in your submission is to say that you believe that there should be a much higher qualification to be a tour guide, and that this is necessary to give Japanese tourists the full experience of coming to Australia so that they have somebody who knows the Australian culture about the area they have come to as well as having some of the language proficiency. Could you expand on that, please?

**Mr Keppie**—That is correct. That is our view. I suppose when we look at the Japanese tourism industry over the last 10 years from when it first took off, say in 1986 until now—and we have approximately 800,000 Japanese tourists a year coming to

Australia, I think, annually at the moment, out of about 3.8 to four million international tourists overall, so it is between 20 and 25 per cent—that is likely to rise, I think, in the future, although perhaps not as strongly as what it has in the past. It is a worry that the actual repeat number of Japanese tourists is about 22 or 23 per cent, whereas to Hawaii it is getting into the 40 per cent range.

We are really concerned from the point of view of our tourism industry. For it to be developed as a viable industry in Australia, we really need to address the needs of that industry in terms of organisation of professional staffing and tour guiding especially. For that reason, we really think that there should be some sort of an agenda put in place to encourage the development of a professional tour guide industry or profession in Australia as exists in other countries throughout the world.

We have the language skills here. Certainly in Queensland I am aware of, for example, a group of Australian Japanese-speaking tour guides who were working for tour companies who set up their own business to provide performances and guiding services for Japanese tourists. They are doing so well now that in fact they are being approached by Japanese tour companies asking to list their services and products in their magazines for promotion back in Japan. So it can be done, and it can be done very successfully. We would like to see that type of profession encouraged as much as possible.

I do not know whether Japan is a particular exception, but the concern is that if one is not developed along those lines, then as the tourism numbers to Australia grow from other countries such as Korea or Taiwan, from non-English speaking countries, that we could be facing the same sort of situation in relation to those other countries as we have had in relation to Japan. It seems such a shame, especially when we have the linguistic abilities here that we can build on.

**CHAIR**—Have you had any personal experience of complaints from any tourists from Japan who have felt that they have lacked having the full Australian experience because they have been looked after by Japanese all the time that they were here?

**Mr Keppie**—Yes. Japanese want to experience the Australian experience, very much so. They want to meet Australians, they want to learn what it is like to live in Australia. I have been going to Japan for 25 years. I started studying at the ANU back in 1970. My experience of Japan over recent periods with my home-stay families and my friends from Japan is that, when they come here, they want to go out to Tamborine or the outback and shear a sheep or speak to some Australians or experience what it is really like. That is becoming more and more so, as the previous speaker mentioned—the free and independent traveller. The Japanese tourist is prepared to go out on his or her own and experience Australia. That is increasing, and also, I might add, with the older Japanese as well—although, obviously, there is a feeling of safety when one is in numbers. Nonetheless, they are becoming much more adventurous over time.

The Japanese government brought in a policy whereby they were wanting 10 million Japanese to travel overseas annually. That was back in 1991, I think. There are now 13 to 14 million Japanese travelling internationally annually, which is having an enormous effect on Japan. They come back home and they say, 'Look, you can buy a Gucci bag for this much over there, and we are paying more for a steak, and we are paying three to four times as much in Japan.'

It is having a whole effect on Japanese society in terms of reducing prices and creating awareness of what is really happening out there. We have a concern as a chamber because we want to improve and strengthen as much as possible the relationship with Japan. The internationalisation of Japan is all very much part of that, which is why we would like to encourage that more independent type of traveller.

**CHAIR**—If I can just focus on that for another minute. In our hearings in Sydney it was very strongly put to us that there is a group of Japanese tourists who really do feel that they need the reassurance of someone who understands their culture. Culture kept being emphasised over and over again. A young Australian who could speak Japanese might inadvertently insult them by addressing them in a wrong manner. I thought that perhaps would be just part of the experience and that they would give that leeway. They would not be deliberately insulted, but if somebody does not understand their culture that is part of the whole experience. The tour operator was very keen that this would be a very distressful thing to them.

**Mr Keppie**—I speak to a lot of the older Japanese and the Japanese society is a very polite society. It is a very structured society and the level of language you use differs according to whom you speak. The younger Japanese have forgotten how to use that polite language. In fact there is just as much impoliteness coming from the young Japanese towards the elder Japanese.

**CHAIR**—So it may be forgiven even more coming from an Australia tour guide.

**Mr Keppie**—That is right. At least they are not a native speaker of Japanese so it is understandable if they do not have that level of expertise.

**Mr MARTIN**—Over a period of time now in Australia people have been critical of educational systems in this country where we are basically monolingual. People learn English and nothing else. If you have a second language you are considered to be reasonably special. The educational system has been talking about embracing Asia in particular and trying to convince people that they should take on second languages, whether it be Japanese, Mandarin, Indonesian or whatever.

In terms of the tourism industry and the concerns that are here, if Australians have taken the opportunity to go to university, learned Japanese and want to get into the tourism industry, because they have that language skill is it perceived that that gives them

an added leg up? Is there an acceptance with Japanese tourists that an Australian guide who is fluent in Japanese, but not the cultural norms and niceties that the Chairman was talking about, is acceptable to Japanese tourists from your experience?

**Mr Keppie**—Yes. If you are going to reach that level of Japanese linguistic ability, you have to be familiar with the culture because the culture and the language go hand-in-hand. Yes, there is a preparedness on the part of the Japanese to overlook certain faults which might be there in terms of the delivering of the language, grammatical errors or whatever simply because they are learning about Australia from an Australian.

**Mr MARTIN**—That was an argument which I raised previously at these hearings. It seems to me that we are talking about tourists generally coming to Australia and also the working visa holiday-makers who are here. What they are looking to get out of it is an Australian experience, so therefore they should be exposed to Australia.

**Mr Keppie**—Exactly.

**Mr MARTIN**—The argument which some people would run is that, if you have an Australian who is a Japanese speaking, Korean speaking, Mandarin speaking or whatever, they can tell you something about Australia. On the other hand, an argument was put to us that people, because of the cultural niceties and so on, required very special handling. As a consequence many of the working holiday-makers coming into this place stay for three months then they try and get another job for another three months as tour guides because they are Japanese, Chinese or Indonesian. Therefore they are doing Australians out of jobs and experience as well in that industry. What is your comment on what appear to be competing concerns?

**Mr Keppie**—Strictly speaking, they are not tour guides. A tour guide must know something about which they are guiding. For example, if a tour guide is showing groups of visitors around the Gold Coast, you would really expect the tour guide to know the history of the area and have a basic knowledge of the environment and the types of botanical species or whatever. One cannot expect a working visa holiday-maker tour guide coming from Japan to know those sorts of things. Really they are not a tour guide in a true sense; they are a chaperone.

**Mr MARTIN**—You have won me. That is my view.

**Senator STOTT DESPOJA**—You said in your introduction that there was around 22 per cent or 23 per cent repeat visits. You sounded concerned about that and I am wondering to what you attribute that perceived lack of repeat visits? Is that perhaps an indictment on us and our industry? I was curious as to whether it was perhaps the nature of the Japanese holiday industry, too.



**Mr Keppie**—I think that the Japanese tourism industry is going through a change, but the reason of course—and this is my personal opinion—for the low repeat business is that the type of experience they are having here they could just as easily have in many other places. You can go to the Seychelles, Mauritius, Noumea or the Caribbean for the surf, the sun and the sand. What we need to do is promote what is unique to Australia and things that you cannot find anywhere else in the world, whether it be indigenous culture, the outback, or the nineteenth century European experience. All these sorts of things are unique to Australia and we really have not been promoting them strongly enough, I do not believe. That is my personal opinion.

**Senator STOTT DESPOJA**—I am just making sure that it was not as a consequence of Australian culture.

**Mr Keppie**—No.

**Senator STOTT DESPOJA**—You are suggesting we need more of it.

**Mr Keppie**—I do not think so. It is perhaps because there is not enough of it.

**CHAIR**—Mr Martin would be interested in that from his viewpoint of tourism. What sort of things? If you were designing the perfect package for a Japanese tourist, what would you give them to give that unique experience that makes them want to come back again?

**Mr Keppie**—I will give you an example. The Djabukai Dance Group in Cairns has just opened an \$8 million resort there. They are booked out three years in advance and they are doing \$7,000 a day sales through their souvenir shop. Now, that is indigenous tourism. There is a camp just north of there where indigenous dance festivals are held on a biennial basis. You will not find a lot of Australians there but you will find newspaper reporters and tourists from all over Europe. We are not doing enough through our own tourism promotion to promote what is unique to Australia in that sense. They are the types of things. The Japanese, for example, have a great love of ancient cultures. They are a very culturally aware society. If it was me promoting, I would be promoting what is unique in terms of culture to Australia, such as the Torres Strait Islander cultures, most certainly.

**CHAIR**—Which gets back to your point that we need actually expert tour guides to introduce this type of tourism to the Japanese and who know enough about it to explain it to them.

**Mr Keppie**—Yes.

**CHAIR**—Taking that one step further, probably what would be most desirable would be indigenous tour guides?

**Mr Keppie**—Yes. In fact there are some already. Some of the Aboriginal performers up in Cairns do speak Japanese and it goes over remarkably well—a great experience.

**Senator TROETH**—Do your business organisations around Brisbane and the Gold Coast have a strategy to deal with the sort of groups that you are talking about? Perhaps you could outline them?

**Mr Keppie**—Yes. At the moment we try and promote trade as much as we can. This year is the centenary of the Japan-Australia diplomatic relations. In fact the first consul was set up in Townsville back in 1896 before it was moved to Sydney in 1908. So we want to take a group of Aboriginal performers over to Japan next March to promote indigenous tourism to Australia. We know for a fact that there was a recent conference on the Gold Coast. They saw a performance and they are organising a tour of Chicago, New York and Las Vegas next year for six weeks. They are taking a group of Aboriginal performers over.

We have people coming from other countries seeing it and taking it back, rather than our country taking it over there. So that is what we are doing. We are small and non-profit. We do not have access to any funds. We pay our own way, but we see that, by taking them over there, we can strengthen the links between the two countries, promote sister city relationships and promote tourism as well. So that is the type of thing that we do as an organisation.

**Senator TROETH**—I was interested in your comments about the way in which professional tour guiding courses are necessary. Are there any available here in Queensland?

**Mr Keppie**—There are some available, yes.

**Senator TROETH**—At a tertiary level?

**Mr Keppie**—Yes, whether it be through TAFE colleges, Group Training Australia or universities. What we need to do is to promote that more. I had an experience last month. I was telephoned by a lady who was having a Japanese student staying with her and the Japanese student was looking for some work. The student was on a working holiday visa and had been unsuccessful. I cannot place people but I made some inquiries and I could not help. I telephoned the lady back to say I could not help. She said that the girl had approached a tour company and was told, ‘You can work without a salary for a month and see if it works out’.

**Senator TROETH**—That is she could just go on the trips and get that as the bonus rather than actual wage?

**Mr Keppie**—Yes, and of course at the end of the month who knows what happens.

**Senator TROETH**—Is that common?

**Mr Keppie**—That is a case of which I know.

**Senator TROETH**—It does happen, but you cannot say to what extent.

**Mr Keppie**—As to how common it is, I do not know but there is an instance of it.

**CHAIR**—Certainly that is something that has been raised. Obviously amongst some of the tour operators—and we are not actually getting it first hand—there is the suggestion that they will be given a tour for the return of the chaperoning which you suggested. The complaints that we have had from young Australians is that a much lower wage is paid because the young working holiday-makers are looking for low wages just to keep them going.

If I can quickly return to where we were before when we were looking at specialised tour guides away from the indigenous specialisation. Presumably the Great Barrier Reef is an absolutely unique attraction that they are not going to see anywhere else. I believe that the tours that go to the Barrier Reef are very well tour guided and they have a lot of experts in marine flora and fauna there. Is it your experience that that is well catered for and that the Japanese tourist would have the proper tourist information when they go out to the reef?

**Mr Keppie**—I think it depends on the operator, definitely. Some operators are much more attuned to the requirements of the tourist than others are. They will provide tapes and things like that, as well as expert botanists or people expert in determining whatever coral it might be. But, nevertheless, I still think there is room for improvement in that area as well. If you look at the number of tourists who go to the Barrier Reef every year, I think it is one million come out of Cairns to the reef every year. The three major cruise operators alone, Great Adventures, Sunlover and Quicksilver, would carry almost a million between them, let alone all the other smaller operators which operate out of there. That is a lot of people. Obviously there is a big demand there for qualified tour guides.

**CHAIR**—Are you aware through your organisation of any complaints? If they felt that the information had not been of the quality that they needed?

**Mr Keppie**—Yes. From my personal experience I feel that the tourist is not getting the full experience or the full benefit of a visit to the reef. They will have the visual experience, but they will not be learning as much about the reef as they could otherwise be learning.

**Senator TROETH**—Is that just because of the limitations of the tour guide or are there a range of other factors?

**Mr Keppie**—Other factors too, such as the preparedness of operators to equip the tours with the type of information which is required.

**Senator TROETH**—Do you think there is a bit of a re-education of the whole travel industry required as well?

**Mr Keppie**—Yes, it is very broad. I am talking personally.

**Senator TROETH**—I was also interested in your comment when you said:

We strongly believe that the best way to deal with this problem—

And this is the broader client communication area that you are talking about—

is for the existing working holiday visa system to be amended so as to encourage long-term development of the tourism industry.

How would you do that?

**Mr Keppie**—There is no doubt that existing tour operating companies rely upon working holiday visa people as tour guides to assist them. My feeling would be to phase it, that is put in some sort of a phasing out of it over a three or five-year period. Obviously, it would be rather harsh to impose any sort of a restriction immediately on those tour operating companies. At the same time as phasing it, make a provision or requirement that an Australian tour guide be attached to that company to also learn the operation of the company as well and gradually take the role.

**Senator TROETH**—So there would no longer be working holiday-makers employed as tour guides, is that what you are saying?

**Mr Keppie**—Ultimately, yes.

**Senator TROETH**—I presume the corollary to that might be your other suggestion that professional training and accreditation be used.

**Mr Keppie**—Yes.

**Ms GAMBARO**—I notice you have had an association with Daikyo which built the Gold Coast International and some other well-known hotels in Queensland. I was concerned about repeat business—not getting the Japanese tourists coming back. Maybe part of the reason is—and I am not singling out Daikyo in any way here—the Japanese

tourists come out on tours, and usually they could be the JEPs or whatever, and stay in hotels that have a large Japanese interest. They go down to the dining room which is full of Japanese tourists and they have no interaction with people from other countries or Australians. In our efforts to make sure that they are not inconvenienced by having tour guides from Japan and making sure that the conditions are kept as Japanese as possible, we are perhaps alienating them rather than encouraging them to come back on a repeat visit. What are your comments?

**Mr Keppie**—If we are going to promote the tourism industry we are going to have to create as much awareness and assimilation as possible and, by isolating and cocooning the tourist, you are not going to be able to achieve that. If there is any way of increasing and improving that assimilation and that access to Australian society and culture, definitely that is what we need to do.

Perhaps in the past when the Japanese tourists first came to Australia in great numbers, say 10 years ago, they were unfamiliar with international travel, international customs and so on. But, as I said, that is changing, fairly rapidly I would suggest. So I dare say that the types of problems which might have arisen in the past or perceptions certainly will decrease over time.

**Ms GAMBARO**—So they are becoming a bit more adventurous?

**Mr Keppie**—They are, yes.

**Ms GAMBARO**—And not willing to be cocooned as much?

**Mr Keppie**—Yes.

**Senator McKIERNAN**—I find your evidence very useful and I thank you for that. I was interested in your comment about the tour guides on which you confirmed a long-held suspicion of mine. I wanted to change direction on it.

We received some evidence about the need to have Japanese speakers in duty-free shops because when the Japanese tourists arrive here they have a limited amount of time to shop and they need to deal one-on-one with the person who can understand them, make their purchase and then depart. That is an area where Japanese working holiday-makers are being used. Do you have any experience of Japanese working holiday-makers that you can help the committee with?

**Mr Keppie**—Obviously that is not a tour guiding issue, in the sense; it is purely a staffing need. One of our members of our chamber operates his own, not a duty-free store but a very well-known reputable opal store. He has an office in Osaka and he also sells in Tokyo. So he is an Australian who has actually gone over there and established his own business in Japan and is doing quite well. He employs Japanese over in Japan and he also

employs one or two working holiday-makers as and when the case requires when he has Japanese tourists coming into his shop on the Gold Coast. He certainly maintains that is of great assistance to him when selling the opals.

But that is very much a linguistic talent, not necessarily a cultural requirement. If there are Australians who are able to speak the language as fluently, then they could probably do the job just as well. But on this particular occasion he uses working holiday-makers and he finds that fills a requirement, a need that he has. But that is only a one-off instance.

It is the path of least resistance to have people who can speak the language so well. It removes a lot of problems in hiring and whatever and, because it is the path of least resistance, it is often taken in areas such as duty-free stores. But by the same token—and perhaps I am speaking outside my capacity here—duty-free is a particularly specialised area. One can get to know quite well the commodities, the types of questions which are asked and so on. Quite a few Australians are working in duty-free stores, which also have Japanese working there, and they are doing very well.

**Senator STOTT DESPOJA**—We hear a lot about exploitation of people in this industry and of young people in particular. Have you any ideas how we address that? Should we be looking at greater regulation of the work force in this industry?

**Mr Keppie**—For working holiday students? If you do regulate more strongly, how do you enforce it? That will always be a problem when you have 40,000 students or people moving around Australia very fluidly. You can impose penalties, certainly, but it will be very difficult to enforce unless over time you establish a culture, an awareness.

On the whole, in my experience working holiday students to whom I have spoken are very aware. They ask, ‘What are the requirements? Do I work three months and then have three months off?’ ‘Yes, that is the requirement; that is the way you must do it.’ And 99 times out of a 100 they are in a foreign country and they want to make sure that they follow the rules of that country very strongly.

As long as the rules are made abundantly clear through the embassy posts and whatever around the world, then there will not be all that much problem in enforcement. We have to take the positive approach rather than the negative in breaches of that.

**Senator STOTT DESPOJA**—In relation to the example you gave of the trainee who did a month working with a firm without payment, was that actually someone in the tourism industry as opposed to someone on a working visa?

**Mr Keppie**—It was the tourism industry, yes—a tour guide.

**CHAIR**—Are you aware of the process of linking whereby a young holiday-maker

would work for one firm and once the three months were up would actually work for the same firm but registered under a co-firm's name which would enable them to go through for six months or even up to a year sometimes?

**Mr Keppie**—Yes, I have heard of it happening in different parts of the country. They might come to the Gold Coast and work for three months for one company and then perhaps go on.

**CHAIR**—But they do at least move in that case?

**Mr Keppie**—Yes, they do move.

**CHAIR**—What about staying in the Gold Coast and moving into sister companies?

**Mr Keppie**—I am not personally aware of any.

**CHAIR**—So you do not see it as a huge problem but you are aware that it happens?

**Mr Keppie**—Yes. But it clearly defeats the whole purpose of the visa in my opinion.

**CHAIR**—This inquiry is also looking at our own working holiday-makers overseas. Do you have any knowledge of the young Australian who go into Japan on the working holiday-makers' scheme?

**Mr Keppie**—Not directly. Certainly nowhere near the numbers of the working holiday-makers that come to Australia, and I would like to see that changed. I would like to see more Australians actually going over to Japan and experiencing it over there. There are already a lot of Australians who live there. But I do not have any direct experience of that.

It is very hard to backpack. Just to throw a backpack on and wander around the country is not as easy to do there as it is here. But, then again, it is an extremely safe destination. There are no problems there. In terms of working for three months and then travelling for three months, I think it might be a little more difficult in Japan than it is here, simply because the types of jobs which are available here are not necessarily available there. So we are not comparing like with like, definitely.

**CHAIR**—The information that I had was that there is no policing of it at all and that young people can actually go and work for 12 months for the same firm and come back.

**Mr Keppie**—I would not be surprised.

**CHAIR**—Mr Keppie, thank you very much for taking the trouble and braving the traffic from the Gold Coast to come and speak to us today. Perhaps, if we have any other questions, the secretary can write to you and ask for further information.

**Mr Keppie**—Thank you very much.



[10.20 a.m.]

**MATSUDA, Mr Hiroshi, 94 Macquarie Avenue, Molendinar, Queensland 4214**

**CHAIR**—Mr Matsuda, thank you very much for being here today. In what capacity are you appearing before the committee?

**Mr Matsuda**—I am just representing myself, but I am a tour guide working in the inbound Japanese tourist industry. I have been based on the Gold Coast for the last five years.

**CHAIR**—The committee has received your submission and has authorised its publication. Do you wish to make a short opening statement to add to your submission or make any amendment to it or give us some other facts that you have not given?

**Mr Matsuda**—The statement stands as it is. The use of working holiday makers is too extensive, and the extensive use of working holiday makers is adversely affecting the industry and also the livelihood of the indigenes working in this industry. Restrictions are placed on working holiday makers, presumably to safeguard various things, but it does not seem to be working. There are many ways to go around it. At the moment, Australians are sort of victimised as a result of companies preferring to use working holiday makers, as they work for lower wages, but also other considerations, perhaps cultural things and all sorts of things.

This is the survey conducted by the Japan Tourism Association of Queensland. It is only two pages, but the relevant questions are 14 and 15: how would you rate Japanese tour guides, and how would you rate non-Japanese tour guides? The result is that non-Japanese tour guides seem to be getting higher marks.

**CHAIR**—Yes.

**Mr Matsuda**—Question 2 is: how many times have you been to Australia? Apparently, 87.8 per cent of the people are first-timers, and—if I can count correctly—only eight per cent are here for the second time or more. That shows, compared with other places, such as Europe, people visit there many more times but Australia is relatively low in terms of repeated visits.

**CHAIR**—Would you like to tell us why you think that is.

**Mr Matsuda**—That was briefly mentioned in my submission. First of all, perhaps it is air fares, the capacity of accommodation and the transportation. Many things can be a bottleneck.

**Mr MARTIN**—The requirement to get a visa?

**Mr Matsuda**—That could be one of the reasons. I cannot be sure. My observation is that, generally speaking, there is no standard in guiding. No accreditation system is in place. All the talking is up to the individual guide. Once he or she is hired, there is nothing by which to really measure their quality. If you work for five years and have never been tested, you can go on forever—as long as you do not receive any complaints from the customers. If you go to Europe, there are many things you have to explain to the customers, but there does not seem to be anything like that. There has been an attempt to establish an accreditation system in Queensland, but the Japanese tourist companies did not support it. So it did not really work.

**CHAIR**—Would Japanese tourists who are served by these tour guides be likely to complain or would they be likely to keep their complaints to themselves? Would they have anybody to complain to? If the tour guide is the only person that they are speaking to in Japanese, they may not have an opportunity to complain to anybody else, except amongst themselves.

**Mr Matsuda**—Complaining is a difficult thing. You can complain if you did not get what you expected—and expectation is something different. If there is an obvious mistake—if you were supposed to go to a restaurant but you did not—then you can complain. If you do not hear anything about a particular aspect of Australia or Australian culture, then you do not know, so you do not complain.

**CHAIR**—I understand what you are saying. Really, you are saying that there is an experience that for some Japanese tourists is less than perhaps it could have been and they feel a bit let down but there is nothing specific to complain about—just that it was not a full Australian experience for them. From what you are saying, I gather that that is partly because they would have been given tour guides who are young Japanese working holiday makers who, although obviously proficient in Japanese, may know very little about the Australian experience or exactly the whole depth of the Australian culture.

**Mr Matsuda**—You can conduct your guiding just by chatting about whatever, and they may be kept happy. But it is not what we really expect in quality guiding. We have to introduce various aspects of Australia to customers. Of course, it has to be entertaining, but basically at the moment there is no standard. Young working holiday makers come here and they do not know anything about Australia. They are mainly concentrating on certain things on the coach while they are going. As I put it in my submission, many people call them 90 per cent sales people, and the companies are fully aware of the situation. They are encouraging them to sell rather than to guide—not all the companies; perhaps some companies. If you do not sell certain things, or a certain amount, then you will be out of a job. That seems to be the obvious policy. There is very high pressure to sell. One working holiday maker guide came to me and said that she did not sell things while on the tour. She was told off in the office and she was forced to go the customer's hotel room to complete a sale.

**CHAIR**—Are these companies owned by Australian people or by Japanese tour companies? Where is the pressure coming from?

**Mr Matsuda**—The pressure is coming from Japanese managers. I think the company is owned by Japanese but it may be based in Hong Kong. I do not know.

**CHAIR**—Summarising what I understand you to be saying, Mr Matsuda, the Australian tourism industry itself is being harmed by the use of the young working holiday makers from other countries as tour guides because of their lack of information about Australia, its culture and its geography. Therefore the Japanese tourists are not getting the full experience which would encourage them to come back here again at another time. Am I right in interpreting you that way?

**Mr Matsuda**—I think so.

**CHAIR**—Thank you.

**Senator STOTT DESPOJA**—In your survey questions Nos 14 and 15, where the respondents rate their perception of the quality of the tour guides, there does not seem to be a lot of difference in their perception of the quality of Australian or non-Japanese and Japanese tour guides.

**Mr Matsuda**—I think the customers judge the satisfaction overall, not just a particular aspect. There is no disadvantage being handled by Australian guides. Many companies actually still prefer Japanese nationals to Australians but according to that survey that is not necessarily correct.

**Senator TROETH**—You did mention that there was an accreditation attempt made to make a standard for tour guides and that was not supported by the Japanese tour companies.

**Mr Matsuda**—That is correct.

**Senator TROETH**—Was that on the Gold Coast?

**Mr Matsuda**—Yes. I think that was in 1992. I was very new in the Gold Coast so I was not involved myself. I heard that some people who were mainly pushing this scheme were dismissed or not given jobs any more.

**Senator TROETH**—Why was that not supported by the Japanese tour companies, do you think?

**Mr Matsuda**—I think basically an accreditation system is a restricting practice in terms of supply of labour. Companies like to see a more freely available supply of labour,

so there was a conflict there.

**Senator TROETH**—If there is no accreditation they can put on virtually whoever they want to. If there were one, they would be forced to put on only those people who were accredited.

**Senator McKIERNAN**—You comment about the award coverage where you say:

There is no award covering this industry so that this kind of practice adversely affects wages, working conditions and jobs availability for Australians.

Can you clarify what you are actually saying in that statement? Are you saying the tourism industry or an element of the tourism industry?

**Mr Matsuda**—At the moment there are tour guides and also what they call driver guides. I am one of them. Driver guides drive and guide at the same time, but we specialise in small groups. It is uneconomical to hire both driver and guide. At the moment, the Australian services union is attempting to make an award covering the guide. The Transport Workers Union is trying to rope in the driver guide section.

**Mr MARTIN**—Two good right-wing unions working closely together, Senator McKiernan.

**Senator McKIERNAN**—Thank you, Mr Martin, I needed that.

**Mr Matsuda**—It has not been concluded yet, so at the moment nothing is covering it.

**Senator McKIERNAN**—Is there a minimum wage system operating in the state of Queensland?

**Mr Matsuda**—No, nothing like that. I have not got this because this wage list is confidential. I am not supposed to know these things about other companies and I have not got the actual copy, but I know some comparisons that I can make. For the Movie World four-day tour, with other companies normally a guide can expect to receive \$110 to \$150, but working holiday-makers belonging to JTA receive \$50, so it is quite a big difference. And, for example, for the transfer from Gold Coast hotel to Brisbane domestic terminal with other companies you expect to receive \$70 to \$110—depending on your grading and those sorts of things—but JTA working holiday-makers receive \$50; and the international, \$55, and with other companies, higher.

The difference is substantial—half or sometimes one-third. This will result in the collapse of the wage system. Many, many people are working as independents, but when they finish a company says, 'We can give this to the other company for such and such,' so

they have no bargaining power. So in the whole industry all the wages or rates start falling down. And it is not just a matter of the wages, but also availability of jobs because of the number of working holiday-makers taking up the jobs. So the effect is from both directions.

**Senator McKIERNAN**—On the figures that you have given there is an enormous incentive for a working holiday-maker to be employed ahead of an Australian based person. It is actually much more than double, in the first instance that you gave.

**Mr Matsuda**—Working holiday-makers are getting less for each job—much less. I can see the reason companies use working holiday-makers because it is much cheaper. Also, many Australian owned subcontracting companies have been forced to accept lower rates for doing the same job compared with a few years back. This has been the case and there does not seem to be any stopping. There is no—

**Senator TROETH**—Are working holiday-makers themselves aware of the difference between what they are paid and what other companies—

**Mr Matsuda**—I am not particularly against anybody. They are normal people and they are taking up whatever is available to them. I do not think they are really fully aware of the effects of the situation. Some people may be feeling something. But I do not think so.

**Senator TROETH**—Is the reason they are prepared to accept the job because they do not have large reserves of money or they are just happy to take enough jobs to keep them going?

**Mr Matsuda**—Yes. They do not normally speak English and they cannot expect to be employed elsewhere because they do not know much. This may be the only area. Perhaps there are some shops who have many Japanese customers where they can be employed. But the range of jobs they can possibly take up is limited.

**Senator McKIERNAN**—I have a final question on a different area, and you may not know about this. It is only recently that Australia has entered into a reciprocal arrangement with Korea and, at the same time, we have seen an increased number of Koreans coming to Australia for tourism reasons. Have you any experience or do you know of any experience of Koreans coming in on working holiday-maker visas in a similar way to the Japanese in that they are serving their own nationals in this country?

**Mr Matsuda**—I personally do not know. I know many Koreans here speak Korean. I think there are many more Korean permanent residents in Australia, and in the company I work for there are two Korean nationals. I have not heard of any working holiday-makers from Korea working in this industry.

**CHAIR**—Can I take up some of the points that have been raised by the senator. The tourist companies are telling us that they need these young working holiday-makers, especially the Japanese ones, because they have skills which our young people do not have. They divide our young people who speak Japanese into two groups. They say there are the tertiary educated young people who are very fluent in Japanese, but who are looking for a career other than as a tourist operator, and they are not available for work.

Then there are other young people who do have Japanese, but some tourist operators are telling us that they do not have sufficient knowledge of Japanese culture to act as good tour guides. That is what we are being told. But I think I am getting from you the feeling that that may not be the major reason, but one of the reasons is that they are getting cheap labour.

**Mr Matsuda**—First of all, many young Australians who can speak Japanese are leaving this industry and they are the ones who understand the small differences in terms of the skills to handle Japanese culture, including the older complicated things. They are typically the people who go to Japan for a year during their high school days, come back with fairly good Japanese, and then study Japanese at university. They then, typically, go to Japan and spend another year as a working holiday-maker, or doing something else, and then come back. They are just as good as the Japanese. Some of them are amazing.

Generally speaking, there has been no problem and they can handle Japanese very efficiently without causing any troubles. The reason why we cannot keep these people is because this industry does not treat them properly and it is not attractive enough, and then various things are getting worse and worse. Why should they stay? They seek employment elsewhere.

That is a sticking point. If we want long-term development of this industry so it is in the interests of Australia, we have to keep them, we have to consolidate the core of the manpower. And we need particularly to think about the year 2000 Sydney Olympics. There will be a lot more people. If we are losing the most efficient people, then we will be more dependent on imported workers from Japan. And the same can be said for Korea, or China, or whatever. I think we need a certain accreditation system so standards can be maintained and certain levels of attractiveness of it as a career must be kept. That is my opinion.

**CHAIR**—As somebody in the industry, if there is an accreditation for tour guides, then that is obviously going to increase, for two reasons, the wages of those tour guides—because it is accreditation and because it then cuts out the cheaper labour of the working holiday-makers. In your opinion—and I am not asking you to speak for the whole industry, just from your knowledge of that part of it—what effect would that higher labour cost have on your industry?

**Mr Matsuda**—If it is a small group, higher wages for particularly guides would

perhaps affect it significantly, but a company can be made up of a lot of people. If a guide is employed for handling 30 or 40 people, I do not think that that it will really affect much. I must stress that our main competitor as a tourist destination, Hawaii, does not have working holiday people; Europe also does not have them. But they are effectively competing with us. This year we are losing out both to Hawaii and Europe.

**CHAIR**—Do you know why that is? Have you any feedback from the Japanese in Japan as to why we are losing out to Hawaii and Europe?

**Mr Matsuda**—I do not know. What I am saying is that they can compete with Australia even without working holiday-makers and cheap labour.

**CHAIR**—You mentioned in your letter what we call the ‘linking’, that young working holiday-makers are taking jobs with one firm for three months and then going on to another firm owned by the same parent company.

**Mr Matsuda**—That is right.

**CHAIR**—So, in fact, that allows them to work for sequences of three months at a time. How frequent is this?

**Mr Matsuda**—Very commonplace. I have a friend who has his own personal company and he was asked to do the same thing, to take up these other guides. The company sent him money. This money was sent so that he could pay the other guides. That was just a dummy.

**CHAIR**—So there were even dummy pay packets?

**Mr Matsuda**—Yes. This is a common practice.

**CHAIR**—Why would the young holiday-makers let themselves be used in this way? Presumably, they have come to travel around Australia and to see more of Australia and, if they work for one employer longer than three months, then they do not get that experience that they came to enjoy.

**Mr Matsuda**—Some people do, but unfortunately, that seems to be the case. Those working holiday-makers who are doing pretty well in those companies, particularly, tend to stay. If they work for JTA and there is another company that is cooperating with this company, they just change their name. But the working holiday-maker just goes to the same office and then gets the job. As for allocation of jobs, sometimes wages can be paid at the same place but they are just on the paper. They are officially paid by some other company. I know many people who work for 12 months, wearing the same uniform and the same badge.

**CHAIR**—So for those people, the enjoyment they get simply just by working here for 12 months in the one place is sufficient for them?

**Mr Matsuda**—They seem to be just seasonal workers. They may enjoy the experience of working in a different country, perhaps, but the spirit of a working holiday visa should be a more extensive experience of Australia, not just the Gold Coast in terms of cities and city to country and more bush places. At the moment, their experiences are restricted to their days off, or some holidays and time off. Maybe, they go to Sydney or Melbourne.

**Senator TROETH**—Are they aware that they are probably breaking the law? Are they aware that they are legally allowed to work only three months?

**Mr Matsuda**—They are, yes. The companies are aware of it. That is why they change the registered company they work for.

**Senator TROETH**—So, if they were aware of it, and obviously the company is aware of it: does the company have anything to say to them about the fact that if they take this on, they may be breaking the law? Are there any warnings or advice given on that?

**Mr Matsuda**—I do not know. The Immigration office does not see it as illegal because officially they are working for different companies, even if it is only on paper. If that is true, then the law is not really effective. It is not safeguarding—

**Senator McKIERNAN**—Are the experiences you have related to the committee this morning peculiar to the Japanese working holiday-maker, or are they applicable to all nationalities who come to this region as working holiday-makers?

**Mr Matsuda**—All my experience and observation is restricted to the Japanese. But, generally speaking, my observation is that other people, particularly from Europe, tend to travel and the main purpose of using the working holiday visa is holidaying, rather than working, and to finance a journey around Australia, or wherever, they need to work. That is the way it should be, I think.

**CHAIR**—Finally, Mr Matsuda, as part of your submission you have submitted a document that is in Japanese and we cannot read it. Briefly, what does it say?

**Mr Matsuda**—It is an advertisement that says, ‘We need urgently tour guides.’ It says, ‘JTA Gold Coast and Cairns branches require the people described below.’ The first category is specialised guides—13 at the Gold Coast and 10 in Cairns. The next category is business visa support candidate guide.

**CHAIR**—Business visa support candidate guide.



**Mr Matsuda**—I am translating this literally. It says they require 10 at the Gold Coast and five in Cairns. It says the framework for visas has expanded recently and asks, ‘Why don’t you use this opportunity?’

**CHAIR**—Are they talking specifically there about the working holiday visa?

**Mr Matsuda**—These people are without any appropriate visa. That is why they are advertising for a business visa. I think they are trying to appeal to working holiday-makers. In fact, many working holiday-makers stay on the Gold Coast while they are applying for a business visa sponsored by this company. If it is successful, they will stay on; if it is not, they will go home. This advertisement is really talking about that.

**CHAIR**—Where did this advertisement appear?

**Mr Matsuda**—It was in the *Nichigo Press*. It is a monthly Japanese newspaper, mostly for advertisements, issued in Sydney, the Gold Coast and Cairns. This is the Gold Coast issue. And this is still appearing in the latest one.

**CHAIR**—Thank you.

**Senator STOTT DESPOJA**—You mentioned that these people have to work and often are either exploited or change companies as a result of needing to finance their trip around Australia. That, of course, seems the purpose of a working holiday visa. But something that came up earlier, and I am not sure if you were here, was the issue of requiring some kind of bond or surety from people who apply for working holiday visas. I am wondering what you think about that. Would it be appropriate to expect people to say they have \$1,000 or \$2,000 in the bank before they embark on a trip to Australia? Do you think that is a reasonable proposition?

**Mr Matsuda**—It helps, but many people can just put the money in. But even \$2,000 is not really enough to travel around Australia, so they need to work. They may be furthering their career. If you work in Australia for 12 months, your job application in Japan may be more attractive because of your overseas experience. A lot of people come here specifically to work in this industry as a guide.

**Senator STOTT DESPOJA**—This came up during Ms Blanch’s evidence. I do not think the intention was that people would use that money to finance their trip around the country, but perhaps to have that as some kind of back-up, as money in the kitty. I was just curious about your view. Thank you.

**Mr Matsuda**—Yes.

**CHAIR**—Senator McKiernan would like to finish with the ad again.

**Senator McKIERNAN**—I just want clarification on the advertisement that you translated. You have said that it is for a business visa. I am confused by your answer. You seem to imply that it might be working holiday makers that they are seeking to attract in here. Could you clarify it for me?

**Mr Matsuda**—There is nothing really said. It is specifically advertising for working holiday makers. Do you mean the second one?

**Senator McKIERNAN**—I do not know. It is all Greek to me.

**Mr Matsuda**—I am translating literally 'business visa support candidate guides'.

**CHAIR**—It could be anything.

**Senator McKIERNAN**—But it does sound very much more like a business visa application or recruitment than for a working holiday maker. A working holiday maker does not need to be sponsored from within Australia, but some of the business visa categories, which allow for temporary residence, would need the sponsorship in Australia. Greater conditions apply to those types of visas than to the working holiday maker.

**Mr Matsuda**—It is my understanding that the working holiday maker guides who work for them—a selected group of working holiday makers—promise to guarantee their sponsorship when their 12 months are up.

**CHAIR**—I see.

**Senator McKIERNAN**—The only way a working holiday maker visa holder can change their status is through a marriage. They cannot apply in other areas. That is part of the restrictions that are contained in that visa.

**Mr Matsuda**—I do not know about the actual law, but there seem to be working holiday makers, I think, with this company, that apply for business visas in Sydney, even if they are based on the Gold Coast. There must be a way.

**CHAIR**—Perhaps we should take this up with JTA rather than ask Mr Matsuda to explain. We are out of time, Mr Matsuda. Very quickly, can I ask you: have you any knowledge of young Australians who work in Japan?

**Mr Matsuda**—In Japan?

**CHAIR**—Yes, young Australians who go on a working holiday maker visa to Japan.

**Mr Matsuda**—I have many Australians who have experience working with a visa

in Japan.

**CHAIR**—How successful has this been? Have you any idea, or do you have any comments to make on the other side of the scheme?

**Mr Matsuda**—One thing I would like to mention is that Australian working holiday makers in Japan are barred from working in certain industries, such as drinking places, bars or—

**CHAIR**—Are you sure about that? I am aware of young Australians who have worked in bars, certainly in Japan, on the working holiday visa.

**Mr Matsuda**—That is what I heard from people who went there. Actually, they have to sign on the paper. Maybe before, it was not.

**CHAIR**—When did you hear this, Mr Matsuda?

**Mr Matsuda**—Just yesterday.

**CHAIR**—Your information is obviously more recent than mine. Perhaps we will follow that up and see, because that certainly in the past has not been the situation. I know young Australians have had very successful times working in Japanese bars, which I believe can be very interesting.

**Mr Matsuda**—They may be responding to some other instance.

**CHAIR**—Thank you very much for the time you have spent with us today, Mr Matsuda. If we have any more questions, the secretary will write and ask you. Once again, we thank you very much for your valuable information and your time.

**Mr Matsuda**—It is an honour.

[10.57 a.m.]

**OSBORNE, Mr John Edwards, National Sales and Marketing Manager, McCafferty's Express Coaches, Level 1, 1 Russell Street, Toowoomba, Queensland 4350**

**CHAIR**—Thank you for coming to speak to us today, Mr Osborne. The committee has received your submission and has authorised its publication. Do you wish to make a short opening statement to add to your submission or make any amendment to it or give us some further facts?

**Mr Osborne**—Yes. The suggestion was made that there is a growing number of people on working holiday visas that tend to stay or are moved in some way or other, while still working for the same parent company, from position to position. The experience that we have noticed would not support that. Those circumstances would be certainly the minority. I think there will always be the people that try and beat or cheat the system somewhere. But we generally believe that there are many benefits to be gained from the working holiday visa and having people come to Australia under that banner.

**CHAIR**—Do you employ any working holiday makers?

**Mr Osborne**—No. I do not think that the type of business we are in lends itself to that. There are scheduled drivers on scheduled services. It is not easy to employ people here in the short term because we have very stringent conditions in terms of the training that they undertake. Likewise in our reservations area, it is imperative that they have a really good knowledge of where places like Dingo and Banana and all of those popular tourist destinations are, so that when people make their reservations to go there they know what they are talking about.

**CHAIR**—To follow on from what Mr Matsuda said, do you notice any difference between working holiday makers who work in the horticultural industry and those who work in the tourist industry?

**Mr Osborne**—A difference in what sense?

**CHAIR**—In the sense that what we have heard today, and also in Sydney, is that there are some young holiday makers who appear to be exploited in the tourist industry. Certainly some evidence of that nature has been given to us. They are being paid very low wages. Some of them, in fact, are not being paid at all. They are being encouraged in some tours to sell rather than to actually be a tour guide. There are facilities made available for them to work longer than three months. We have heard evidence from witnesses on all those types of things. Is this type of thing restricted, do you think, to the tourist side of the industry or would you also see it happening on the horticultural side?

**Mr Osborne**—I have not seen personally, nor have I heard personally, in a factual

sense, any evidence of that, although I have heard people talk of it. I come from the other side of the case where, from our company's perspective, perhaps we are much closer to those people involved in the regional centres in Australia. We have seen benefits where people in those regional centres have not been able to get Australians to go and undertake certain work tasks in their regional centres. The people that do go into those regional centres to take up those particular employment opportunities are paid the full rate of pay.

**CHAIR**—Certainly we have had submissions from young people who have said that they have not been able to get into the tourist industry despite their language proficiency in Japanese; but we have not, to my knowledge, to date, had any submissions from anybody saying that they have not been able to go picking grapes or anything else because of working holiday makers.

**Mr Osborne**—True. There are some areas where Australians just are not interested in going to undertake that sort of work. Where would the industry be if they were not able to access people to carry out those tasks?

**Senator STOTT DESPOJA**—This seems to be a recurring theme—the issue of having money or some kind of bond as a requirement or a condition of a visa being issued. I see that you have suggested \$4,000 as a figure that could be a condition. Why have you nominated that amount? Also, why do you think it is appropriate or necessary?

**Mr Osborne**—The understanding we have is that it is necessary to have evidence of funds at the time they apply for their visa. We believe that it would be in the best interests of Australia and the Australian economy to make a condition whereby the people applying for the working visa would be required to have a sum of money at the time they entered Australia. We arrived at a figure of \$4,000, based on the cost of purchasing, say, an airline ticket that would take in the majority of the popular destination areas in Australia—or, in our sense, I guess, we would prefer them to purchase a coach pass that would take them around Australia—and have some money left to also support other activities that they might want to undertake. The other angle that we came from in nominating that \$4,000 was that we considered that, young people being what they, if there is \$4,000 that they could access it is more likely that they would spend that \$4,000 while in Australia, rather than return home with that \$4,000 intact.

**Senator STOTT DESPOJA**—Can I just put to you the same comments I made to Ms Blanch? With a figure which is a substantial one of \$4,000, is there not a risk of perhaps favouring the upper socioeconomic ends of the market, so that we are actually making it more difficult for those people with lower incomes or less money to actually come to our country on working holiday visas? Is not the purpose of a working holiday visa for people to actually see some of the country, but also to work their way around and fund their trip that way?

**Mr Osborne**—Sure. We did not think the figure of \$4,000 would prohibit many

from coming to Australia on a working visa. Again, we saw the benefits to the economy of Australia outweighing any negatives.

**Senator TROETH**—I note that you have also said that the time at which the proof of availability should be made is at the time of arrival in Australia, because you feel that when they apply for it, as at present, in their own home country it is possible for them to gather the money together in a way that still may not prove that they actually possess it themselves. Is that right?

**Mr Osborne**—Yes. We saw that the opportunity was there for them to borrow that money from a friend or parent, or to obtain it in some other way from other sources and then not to have that money on arrival in Australia.

**Senator TROETH**—So that it then got dispersed again.

**Mr Osborne**—The other way we were looking at it was from the sense that the government was looking at capping the numbers, and we thought that a figure of \$4,000 would, to a degree, put some ceiling on numbers, but not in a way that would severely restrict numbers coming to Australia. Also, as I said before, we looked at it as being beneficial in that the people having that money in their hip pocket would be more likely to spend it rather than take it back.

**Senator TROETH**—Does your company employ tour guides as such, or are they your actual bus drivers?

**Mr Osborne**—No. We are a scheduled service operator—point to point—so our coaches are not tour coaches; they are express coaches.

**Senator TROETH**—One suggestion was made by a previous witness who would like to see an accreditation system or course introduced for tour guides. Do you think that would be a good idea?

**Mr Osborne**—I believe so.

**Senator TROETH**—At the same time, that would probably cut out the working holiday-makers, because they are only here for such a short time.

**Mr Osborne**—One of the concerns is that there are certain jobs that perhaps are not suitable to those coming to Australia on a working holiday. If we are to see the tourist industry reach its full potential in this country, it is important that we have people in particular jobs—and I would consider tour guides to be one of those jobs—where it is imperative that they have a very good knowledge and understanding of Australia and what there is to see and do in Australia. It cannot be a situation where people are only sufficiently well briefed and educated for taking people from point A to point B because

that is all they do five days a week, without knowing the background and the history of Australia and also having a knowledge and understanding of the tourist destinations and the other places of appeal to visitors in Australia. Relating that to our own industry, when I said before about the manner in which we select our reservation staff, it is important that they know not only the large places but also the very small and out-of-the-way places that people sometimes want to visit.

**Senator TROETH**—Yes. Have you had any experience of working holiday-makers being directed by centralised agencies in Sydney or Brisbane to visit places in which there is employment and yet, when the working holiday-makers get there, the actual employment does not exist or is difficult to find?

**Mr Osborne**—I have not evidenced that. I have seen evidence of people on visas having gone to areas of their own free will, having read an article in a paper that fruit picking or some other employment of that nature was available, and by the time they got themselves sufficiently well organised and got there, there were not jobs available. But I have not seen people deliberately being sent and no jobs being there.

If I could go to the converse on that: in two areas that I have seen, Childers would be one and Ayr would be another in Queensland—indeed, this also happens in the New England area of New South Wales—people in the agricultural industry speak highly of the quality of employment and the work ethic of people that they employ under the working holiday visa, and openly speak of their inability to get Australians to go and work in those areas and undertake those particular tasks.

I think if one were to look at what has happened in Childers in recent years, in terms of the way that the small crops industry has flourished there, and also the burgeoning, I guess you could call it, hostel or backpacker type accommodation that has now flourished in that area and was not previously there, I think one would see that the economy of that area has benefited significantly as a result of people going there to undertake that sort of employment.

**CHAIR**—Thank you. Mr Osborne, do working holiday-makers, backpackers generally as a group, use your coaches?

**Mr Osborne**—Yes.

**CHAIR**—Would this be one of their primary means of transport?

**Mr Osborne**—Certainly for backpackers. I would think a large percentage of people on working visas would also use our transport.

**CHAIR**—Do you learn anything? Do your drivers pick up anything from the way they chat about what is going on, or doesn't that come through?

**Mr Osborne**—I think some of the information that I have already shared with you has come from that source. We have a management ethic in our company that sees senior executives such as me spending a fair amount of time in our terminals all around Australia, so that we get a good understanding of who are customers are. It is an element of the tourist industry that is taking on a significant change in its customer face so it is important that we spend that time there. And I guess that is how we come by some of this first-hand information.

We are in the business of introducing services. In fact, one that we are looking at at the moment has come to our notice as a result of areas seeking people here on working holidays, people who are presently having difficulty in getting to that area.

**CHAIR**—Your buses go, presumably, through the regional areas. Is this helping the tourism in those areas, these young working holiday-makers, when they go into those areas? Is the money they spend helping tourism? Do they spend the money in the regional areas while they are there, or do they save it up and, for instance, bring it back to Cairns to go on a hot air balloon or whitewater rafting?

**Mr Osborne**—There would be a mixture. I have personally heard them speak of some of the experiences that they have undertaken in regional centres, be that hot air ballooning, river rafting or sightseeing tours, where they have actually spent money—and they spend quite highly on those aspects of their holiday in regional centres throughout Australia. One of those areas that is really starting to benefit from your working visa holiday-makers is the Albury-Wodonga area, because they have got an area down there where abseiling and rafting and all of those other sorts of things that appeal to this particular element of the tourist trade are present. More and more are going there as a result of their interest in undertaking those activities in such a small area, and also, at the same time, having the opportunity to undertake work whilst there.

**CHAIR**—What about the regional areas that do not have these exciting attractions?

**Mr Osborne**—Again, it is well known that they spend whilst staying in the regional centre, going to restaurants, to movies and on day tours. Most centres have some sort of day tour component or a touring component or some area where they can spend their money. If they do not spend it there or there is nothing to spend it on, I do not think they would stay there all that long and probably would move on to another area where they might be able to undertake work and spend their money.

**Senator McKIERNAN**—When you make the comment, ‘We believe the current system works to Australia’s advantage’, under your conclusions column, are you talking pre capping? You are not talking about the actual current system?

**Mr Osborne**—No, I am talking pre capping.



**Senator McKIERNAN**—You said that the introduction of the capping had a very negative impact on that element of Australia's tourism industry. What is the evidence for that statement?

**Mr Osborne**—We had advice from overseas operators that we deal with where, in their words, the amount of business that they were writing to Australia had virtually switched off. They had noticed a considerable decline because people had viewed the situation that this cap was going to severely restrict the ability of people to come to Australia under the working holiday visa scheme.

**Senator McKIERNAN**—Are you aware of the number of visas that were issued last year—the full year in 1994-95?

**Mr Osborne**—I have heard the figure, but I cannot recall it.

**Senator McKIERNAN**—About 35,000 were actually issued and taken up and used. When the cap was introduced, before halfway through the year, at 33,000—I mean it would have meant an effective reduction over the whole 12-month period of 2,000 places if it had all followed through.

**Mr Osborne**—Yes, but in the industry, people planning their holidays I think made up the concerns of the tour operators or the wholesalers we were dealing with.

**Senator McKIERNAN**—The cap was increased then to 42,000 for the remainder of that year. Did that alleviate all the concerns that the people had previously?

**Mr Osborne**—That it had gone to 42,000? I believe so.

**Senator McKIERNAN**—So we are talking about 9,000 places out of—what is the tourist industry's current figure? It is many millions now, is it not?

**Mr Osborne**—I think 2 million or something like that. But what you need to understand about the industry is that while the immediate effect was 9,000, people have the perception that it is no longer going to be as easy to come to Australia under a working holiday visa as it previously was. I do not think you can say that the negative reaction will be restricted to a defined number in a period of time. I think you need to look at the perception people develop as a result of the coverage that that move received overseas.

**Senator McKIERNAN**—I accept that. You are opposed to capping altogether from the statement that is contained in your submission. Would it not be better from the industry's point of view if you had target figures, so there would be a degree of certainty about what is available? You would be in a better position to cater for that market when it did eventuate.

**Mr Osborne**—As you said before, this element of the tourist industry is relatively small, but yet important. I do not think that, if some of those other issues that I have referred to in my submission were addressed, there would be any need for the industry to be gearing up to cater for those. I think the industry has the capacity to cater for those coming here under the working holiday visa.

**Senator McKIERNAN**—The working holiday visa is only 15 per cent of the backpacker market in total. Are you aware of that?

**Mr Osborne**—Yes.

**Senator McKIERNAN**—The other matter I want to address—and you put some weight on it in your submission—is the matter of tax and the taxation department. Payment is usually cash in hand is what you said and therefore open to those who are not holding working holiday-maker visas. Have you got any evidence of that?

**Mr Osborne**—We have seen advertisements in various newspapers that circulate through the backpacker network in which positions have been advertised and it is obvious from the positions that they are cash-in-hand positions.

**Senator McKIERNAN**—Which is not a great contribution to the Australian economy, but we have heard in previous evidence that some individuals may also be getting exploited on the way through by being paid a lower rate of wages.

**Mr Osborne**—That opportunity would be there, yes.

**Senator McKIERNAN**—You are an operator in the industry. Would you have award coverage in your industry?

**Mr Osborne**—We certainly do.

**Senator McKIERNAN**—And you would be open to inspection from the industrial relations department, or whatever it is called?

**Mr Osborne**—Regularly.

**Senator McKIERNAN**—You talk about the tax office issuing clear and direct instructions on how to complete a tax application form, yet it is still going wrong. What more could the tax office do in this regard to, first and foremost, assist people and, secondly, to prevent any degree of exploitation, either of the individual or of the system?

**Mr Osborne**—I did not put that statement in there lightly because I realised that, at some stage, I could be questioned on it or asked for an answer, and I do not know that that is easy to answer. But the best that I could come up with, having thought about this a

great deal, was that there is a need for some ongoing work by the taxation department in almost continuously educating those involved in those agencies, because of the high turnover of staff there, to ensure that they are sufficiently well briefed and versed in those issues at all times. I do not think that can be achieved by one or two seminars a year. I think it is almost an ongoing situation.

**Senator McKIERNAN**—What role do you see the National Association of Personnel Consultants playing? You have mentioned them further down in your submission.

**Mr Osborne**—I am sorry?

**Senator McKIERNAN**—You have mentioned it under employment agencies.

**Mr Osborne**—We thought the National Association of Personnel Consultants could be the organisation that might be able to assist with the meeting of standards or, indeed, the ongoing education of those people employed in those areas. That may not be the most appropriate organisation, but I do not know of any other organisation that would be as closely involved as that one. To me, it seemed a logical organisation that could be harnessed to educate those employed in the employment agencies.

**Senator McKIERNAN**—Thanks very much.

**CHAIR**—There are no more questions. I know you were keen to leave at 11.15 and we have kept you an extra four minutes. Thank you very much for coming today to give evidence. If we have any more questions, the secretary will write to you.

**Mr Osborne**—Thank you. I apologise for my need to get away, but it was circumstances which I had absolutely no control over.

**CHAIR**—We understand. Thank you very much, Mr Osborne.

[11.36 a.m.]

**BAMBRICK, Mrs Gilroy, Queensland Fruit and Vegetable Growers, PO Box 19, Brisbane Market, Queensland 4106**

**FULLELOVE, Mrs Dianne Kay, Executive Officer, Bundaberg Fruit and Vegetable Growers, PO Box 45, Bundaberg, Queensland 4670**

**HASSALL, Mr Richard Newton, Economist and Government Policy Adviser, Queensland Fruit and Vegetable Growers, PO Box 19, Brisbane Market, Queensland 4106**

**CHAIR**—Welcome, and thank you very much for appearing before us today. Do you have any comments to make on the capacity in which you appear?

**Mrs Fullelove**—I would like to point out that Bundaberg Fruit and Vegetable Growers is an association which is part of Queensland Fruit and Vegetable Growers.

**Mrs Bambrick**—I am a secretary at Queensland Fruit and Vegetable Growers and I am here as an observer as I have done some research for the project.

**CHAIR**—I believe you bring with you today an additional submission. The committee resolves that submission No. 79, which is an additional submission from the Queensland Fruit and Vegetable Growers dated 25 September, be received and authorised for publication. The committee has received both your submissions and has now authorised the publication of both. Do you wish to make a short opening statement which either amends those submissions or adds to them in any way, before we get to questions?

**Mr Hassall**—No. The main thing is that the working holiday visa system is very important to our industry. There are things which cause some concern, but it is a very important aspect of our industry and we want it to continue—with some modifications, perhaps. The overall thing is that the people we surveyed did not want the number of visas being issued to be reduced. The Bundaberg growers have a slightly different approach to it, and that is why Bundaberg has put in a submission of its own.

**CHAIR**—Following from what you have said, it is interesting to note that from the various areas there is a slight difference. I gather from the comment from Tully-Innisfail that, while they certainly do not want numbers to decrease, they are not actually advocating an increase; but Bowen is clearly advocating an increase. Bundaberg, as you said, has asked for better management of the schemes, but certainly not for any increase; whereas Gayndah and Mundubbera both want an increase, as does Stanthorpe. Obviously, the scheme is impacting differently in different areas. Perhaps you could, in the context of those different areas, briefly say why we are getting different approaches from all those

growers.

**Mr Hassall**—It might be associated with the location. There might be more backpackers on the coast or near the tourist types of resorts, rather than at places like Stanthorpe—which is a beautiful part of the world, but it is 200 kilometres south-west of here. Gayndah-Mundubbera is a couple of hundred kilometres inland from Bundaberg. Mareeba, although it is not far from Cairns, is probably not exactly in the tourist belt. That is my impression of some of those areas that I have mentioned. I elaborated a little on that in the additional submission. That is one thought that I had about it anyhow. Dianne can probably add more, coming as she does from Bundaberg.

**CHAIR**—Presumably all these areas would want the tourists. They all want tourism.

**Mr Hassall**—But all the tourists do not go there.

**CHAIR**—Some areas are saying not to increase the working holiday-maker scheme, even though it has the potential to increase tourism; so it is obviously impacting in such a way that they do not want to increase the negative impact, if I can put it that way.

**Mr Hassall**—Probably.

**Mrs Fullelove**—I would suggest that working holiday-makers are not seen as tourists in quite a lot of these areas. They are seen as a labour force. There is a distinction. They want them to come to perform tasks, not to act as tourists.

**CHAIR**—Is that a failure of their imagination to see these young people as not only working in the area but spending the money back in the area? Or is it that these young people indeed are not spending the money that they earn in the area but are using it simply as a way of quickly earning some money before they go to other centres where they do spend it?

**Mrs Fullelove**—I would think they do. In my area of Bundaberg, quite a lot of the working holiday-makers are not spending a lot of money there. Probably the main tourist things that they do would be deep-sea diving and that sort of thing.

**CHAIR**—Scuba diving?

**Mrs Fullelove**—Scuba diving seems to be the main thing that attracts them there. I feel that they come to work and go again to places like Airlie Beach and the Whitsunday Islands and Cairns.

**CHAIR**—Is it a failure of the area to provide enough attractions for those people

so that, while they are working there, they can enjoy the area and spend their money there? Are there opportunities to increase the activities that the young people can do while they work there that are being ignored in those areas? Or do they simply not have the potential to provide those activities that would make the young people spend their money there?

**Mrs Fullelove**—I would also question how much money they make in quite a lot of cases. One of the problems that we have been having with working holiday-makers is that when there is not work available and they are still in our town, they are accessing the charities for food. That is a real problem for our charities. They asked our association to address that because they were finding their reserves stretched by requests for food. They will not deny them because they regard themselves as a social service.

**CHAIR**—Why is this happening? Why are young people coming for work, not getting it, and having to go on to charity?

**Mrs Fullelove**—A lot of the magazines and newspapers that advertise for backpackers, I feel, do not target for seasons when we have work available. We have times of the year when there is not much work and we still have a lot of backpackers in town.

**CHAIR**—So, it is not the fault of the hostels trying to get them in there?

**Mrs Fullelove**—They advertise in those magazines, as well.

**CHAIR**—So the hostels are somewhat to blame, but so too are the types of advertisements. Presumably, these are not advertisements by the industry because, if the industry is seeing this as a problem, it would specify the season. Where are they getting this information that leads them to come to Bundaberg when, in fact, there is no work there?

**Mrs Fullelove**—I actually brought an example of something that was in our newspaper last week. There is a copy here if everyone would want one. This is a book that is being published that says that there are 3,000 jobs in our area, and that is published nationally. I feel that the numbers that are mentioned there and the times that are mentioned for work in Bundaberg and our area are not suitable. That is published nationally and I am sure that a lot of working holiday-makers would use it.

**Mr MARTIN**—What is the source of that newspaper?

**Mrs Fullelove**—This is our local newspaper that reviewed a book that is available.

**Mr MARTIN**—What is the book that is suggesting all this to you?

**Mrs Fullelove**—The actual name of the book?

**Mr MARTIN**—Yes.

**Mrs Fullelove**—*Workabout Australia*.

**CHAIR**—Would you like to table that to the committee?

**Mrs Fullelove**—Yes.

**CHAIR**—Would the committee like to receive this as an exhibit? There is misinformation that is going out, not directly from the industry, but just from people who should know better. This is encouraging young people to come to the area looking for work. When they cannot find it, is it that they are not moving on, they are hanging around waiting for the work to happen? Or is it that by the time they get there, they do not have any money to move on to the next place?

**Mrs Fullelove**—They quite often do not have money. One thing that the hostels do in our area is to lend them some money and hold their passports in return. They need to stay in the area then until they can get work to pay off their debt and get their passports back again and, in the meantime, they cannot move on.

**CHAIR**—This seems to be a negative experience for everybody in that case.

**Mrs Fullelove**—It can be. A lot of growers in our area use backpackers and the situation works well for them. I feel that it does not always work well for the backpackers. It depends on how much work is available, and at what time of the year it is available.

**CHAIR**—If a working holiday-maker comes to the area expecting work, finds there is no work available and is given money to stay, his or her passport is taken until, in fact, the work comes around. What sort of period are we talking about here that this could span?

**Mrs Fullelove**—It could be a few weeks.

**CHAIR**—If the work is seasonal, surely sometimes there would not be work available.

**Mrs Fullelove**—Yes. Particularly during the warmer months and into January, February and the beginning of March. This year we had a lot of people coming into town. The season started late for lots of reasons and those people were in the lurch a bit.

**CHAIR**—How long would they have stayed there waiting for work?

**Mrs Fullelove**—Some stayed a number of weeks. You may be looking at three or four weeks.

**CHAIR**—And what was their mood at the end of that three or four weeks?

**Mrs Fullelove**—They were hungry. That is why they came to the Salvation Army. They live on very little. I noticed that the previous speaker was talking about them going into restaurants and spending money. I would doubt that most working holiday-makers would visit restaurants. They live off very little to conserve their money for their travelling.

**CHAIR**—I understand that they were hungry, but were they also disillusioned and angry?

**Mrs Fullelove**—Yes, they were. We have had some come into our office searching for work from us. We do not cater for that because that is not our role, and they were quite unhappy. The other problem that occurs is that we have four hostels in Bundaberg and one in Childers, which is about 40 kilometres from Bundaberg, and they tend to regulate the work. So if the backpackers do not stay at the hostels they find it extremely difficult to get work. The growers tend to ring the hostel and so many working holiday-makers are delivered to their farm by bus, but if you are a working holiday-maker that does not want to get into that situation and you stay at a caravan park you then have to go around to farms or try and access the work yourself, and that is quite difficult because the hostels have a lot of the work sown up.

**CHAIR**—Is this necessarily a problem and, if it is, how would you overcome it?

**Mrs Fullelove**—It is a problem for the working holiday-makers, I feel, rather than for the growers. It is quite easy for the growers to access working holiday-makers. We even tried to encourage the local CES office to set up a coordinating role where they have sort of a harvest office so they can coordinate Australian workers and working holiday-makers, but we really met a brick wall there. They do not have enough funding to do that and cannot allocate personnel to it. So we do not have that coordinating role for anyone who wants farm work in that area.

**CHAIR**—How much coordination do you need if you go down to the CES and there is a list of people who want help?

**Mrs Fullelove**—There is not a list at the CES.

**CHAIR**—There is not a list?

**Mrs Fullelove**—No, there is not one. I spoke to the guy yesterday.



**CHAIR**—Why isn't there a list? This is not your area, but I am just curious. I thought that would be really obvious.

**Mrs Fullelove**—I have spoken to them numerous times about it. It is very easy for growers to ring the hostels and order so many working holiday-makers.

**CHAIR**—So the hostels are acting as a de facto CES?

**Mrs Fullelove**—Yes.

**CHAIR**—But the CES surely should be a bit proactive out there in getting the list themselves.

**Mrs Fullelove**—That is what I said.

**CHAIR**—We seem to agree.

**Senator McKIERNAN**—How would the Salvation Army know whether those people who are looking for assistance are working holiday-makers, backpackers or just merely Australians?

**Mrs Fullelove**—There is a mixture. Not all people looking for picking work are working holiday-makers. There are Australians as well. When we have asked them that in the past they have said that they just question the people who come as to their origin. We wanted to identify that too because we were concerned that the working holiday-makers were being blamed when it was Australians who were going to get the supplies, but it was a mixture of people.

**Senator McKIERNAN**—It is a pity we did not know of the situation before because I think evidence directly from the source, from the Salvation Army, would have been of assistance to the committee.

**Mrs Fullelove**—It is in my submission.

**Senator McKIERNAN**—It is in yours, yes. As I was saying, directly from the organisation itself. So, if they feel inclined, they might care to write to us. Your comment about working holiday-makers being seen as part of the labour force rather than being seen as tourists intrigued me somewhat. It is a theme or a set of words that I could use to support an argument for a capping on the program to bring some certainty into the program, which would be in opposition to what you are putting forward in your submission. You are not arguing in favour of any form of capping?

**Mr Hassall**—No, because the people we have spoken to in the other areas, except the Tully people, have said they can't get enough workers during the season. So they see

one answer is to make sure that the supply of workers or backpackers is not reduced anyhow.

**Senator McKIERNAN**—But if you get an oversupply situation, if you do not have any form of capping or control mechanism on it, you possibly could end up with more people being reliant on charities?

**Mr Hassall**—I do not know the figures, but with the capping, is there a supply of inquiries which is greater than the present capped level? I do not know the answer to that one.

**Senator McKIERNAN**—I think that there was last year. The level now is 50,000 this current financial year that we are in. Two other things I want to know: the 15 per cent, you say in your supplementary submission under 'Administration—taxation', that casual workers are taxed at 15 per cent. That is a new one on me.

**Mrs Fullelove**—Yes, they are. Fruit and vegetable casual workers are taxed at a flat rate of 15 per cent.

**Mr Hassall**—Whereas the initial level, the low level for holiday-maker visa people is 29 per cent, I think, for the first level, and then it goes up from there. The comment in relation to that is that the growers or the people who are doing the book work on the farm have enough things to worry about. I have had a couple of them admit to me that they only allowed for 15 per cent tax anyhow in the papers that they had done, and then they found out that they had done the wrong thing. But the feeling included several things: that reduces the amount of take-home pay to those visa-holding people; that can and does reduce the incentive to take on that work because the pay is about \$9-something an hour. It brings it back a bit. And there is the worry and the extra paperwork. The other thought was about the money, that if it does not go to the tax office and stays in the backpacker's pocket, it will be spent in Australia anyhow. That is their reason for that.

**Senator McKIERNAN**—Your comment also about illegal workers is commendable. Could you tell me what is required to be done? What are you doing now? What do the growers, the employers, do now, in order to police the system to make sure that they are not employing illegal workers?

**Mr Hassall**—I understand that the requirement is to check the validity of the visa in their passport because I do not think the Medicare or tax file number gives you the required information to say whether they should be working there or not. I think that is probably one of the benefits. If the backpacker hostel system works, hopefully that will provide workers who are legally entitled to work, particularly if they have got their passport. That is the answer that I have given, anyhow.

**Senator McKIERNAN**—You mention two areas there, the Medicare and the tax

file system. Would you think the tax file system would be a better way of doing it rather than what is currently required? Or do you have some suggestions about the use of the Medicare card?

**Mr Hassall**—I probably have not got any suggestions about how to improve it, but I think that just having a tax file number does not say how long I have been here, how long I am allowed to work or that sort of thing.

**Senator McKIERNAN**—What could we recommend to the parliament that would make it easier for the growers to avail themselves of that labour at that particular time of the year and ensure that the employers are not putting themselves in jeopardy by the practices they are engaging in?

**Mr Hassall**—I don't know. I will have to look at it in a bit more detail. Regardless, if a person produces a piece of paper to decide whether it is accurate, legal or whatever, I don't know. So I am afraid I cannot answer that one.

**Senator McKIERNAN**—Fine. But if you do come up with any bright ideas on that, let us know. Thank you.

**Senator TROETH**—I am obviously quite interested in the article that you brought. It says:

For an average of \$70 a day, a fruit picker had the freedom to choose where they wanted to work and for how long.

Would that be a good average of what a person could earn in the season?

**Mrs Fullelove**—It is about \$9.45 an hour so, if they are working an eight-hour day, it would be around \$70 before tax.

**Senator TROETH**—That is standard, is it?

**Mrs Fullelove**—Yes. The working holiday-makers are paid at the award rates, and I know in my particular area that growers are very particular about that, because the immigration department does spot-checks and will check all the paperwork. It is a problem for growers, as the senator was alluding to, because when it is time to send out group certificates they send out a pile this high and get this many back again. So it is a bit of a nightmare in that respect.

**Senator TROETH**—Right. I am not making out that the growers would deliberately underpay, but there would not be a situation where there would be an absolute oversupply of labour, and it would be possible to get cheaper labour in your particular situation?

**Mrs Fullelove**—I guess that is always possible. I do not know of any instances where that happened.

**Senator TROETH**—As opposed to the working holiday-makers, I notice your comments about the fact that it seems to be difficult to get locals to come and work in those particular jobs. You have mentioned transport being one. Have the growers considered organising a transport service for local people to take them to the properties? If the hostels can provide transport, and you mentioned the monopoly type situation, have the growers considered organising a transport service to employ local people?

**Mrs Fullelove**—Not to my knowledge, no. There may be one large grower who does that, but he is a very large grower and that is mainly for women who are working in the packing sheds, which is mainly local people. The working holiday-makers are usually employed in the fields to pick.

**Senator TROETH**—They work outside.

**Mrs Fullelove**—Yes.

**Senator TROETH**—What are the factors apart from transport and lack of training that you think mean that local people do not take up these employment opportunities?

**Mrs Fullelove**—The difficult thing for local people is that the work can be intermittent. A crop will finish and there may not be work for another couple of weeks and then it will start again. However, I do know from the Department of Social Security that they have made it easier for people on welfare benefits to stay on their benefit and work, and remain on the benefit while they are not working. In the past they used to have to go off it and back on it, and it was very difficult. But now it is a 16-week period where you can stay on the benefit and work in between that 16 weeks.

Growers often find that local people do not want to do the work. If they are encouraged by the CES to do the work then they do not turn up or they do not carry out the work properly, even to the extent where they may do it incorrectly and damage some property to be fired and get out of doing the work.

**Senator TROETH**—Right.

**Mrs Fullelove**—It is a very difficult situation because whenever this is mentioned in the local press we always have local people saying, 'Yes, but I would do the work if it was offered to me.'

**Senator TROETH**—Yes, I could imagine.

**Mrs Fullelove**—We have this continuing balancing thing going on between

working holiday-makers and local people.

**Mr MARTIN**—Does anybody ever follow up those comments that are in the local media suggesting that there are locals that would do the job?

**Mrs Fullelove**—Yes.

**Mr MARTIN**—What happens, what is the response?

**Mrs Fullelove**—You can say to them, ‘Be there at 5 o’clock tomorrow morning and we will give you a job,’ and no-one will turn up. A mother will ring up and say, ‘My son will do that work.’

**Senator TROETH**—And the son does not think it is such a good idea.

**Mrs Fullelove**—That is right. The thing about training is an interesting thing because obviously working holiday-makers are not trained, the only training they get is when they roll up in the morning. That is something that we are trying to encourage the CES to do, to train some local people so that they can offer an advantage over the working holiday-makers in that they have workplace health and safety training already done. They may have some skills in place so that they would more attractive to a grower. But we are finding it hard to get that off the ground. The CES just talk about their financial cutbacks and that they are not able to do anything. It is very difficult for us to get that rolling.

**Senator TROETH**—Right.

**CHAIR**—I take it that you are not a great fan of the CES.

**Mrs Fullelove**—I find it hard to get anything going. We have had numerous talks with them to try and get them to enable growers to use the local labour because the growers would prefer to do that if they could access it.

**Senator TROETH**—If the CES was more proactive in the way it went about their business. But they must see themselves as very bureaucratic.

**Mr Hassall**—On the subject of training, several of our industries are developing—I was going to say codes of practice but that is probably not the right one—guidelines of what is required to do certain jobs. We did one for the apple industry and that was carried forward to one of the other tree crop industries. It involves some fairly simple things such as being careful when you are climbing a ladder. They are fairly simple and straightforward instructions to cover the problems that they can face in a new job in a new situation and tying in with workplace health and safety requirements.

Several of our industries have done that but as Dianne said, new people on a job quite often come to a place, they are given a job that morning and they start working and learn on the job. Not only does this look at practices but also it looks at the responsibilities of the employer and of the employee.

**Senator TROETH**—If the working holiday makers had to access the charities, as you have indicated, for food or sustenance—I know that it is the role of the Salvation Army to provide help to whoever needs it—they would see that as not a desirable situation, given that the people are only there for a short time and then they will vanish, never to be seen again.

**Mrs Fullelove**—I think it stretches their resources too far. They just do not have enough.

**Senator TROETH**—Yes, right.

**Mr MARTIN**—How many people are we talking about that are affected by that? Are we talking about the 32,000 people who come over on working holding visas all lining up to the Salvation Army for assistance?

**Mrs Fullelove**—No, but there were enough this year, when our season started late and we had a lot of working holiday makers in town, for the Salvation Army to approach Bundaberg fruit and vegetable growers and ask us to do something about it. We had to contact all the hostels.

**Mr MARTIN**—Are there any numbers? Is there a quantification on that, just to get some relativities, I guess?

**Mrs Fullelove**—Yes, they did give me some numbers at the time, but I just cannot recall them.

**Senator TROETH**—50 or 100 or 200?

**Mrs Fullelove**—No, it was not that high. It was maybe 50 or 60 people over a few weeks period.

**CHAIR**—Perhaps, rather than pressing you for information that you do not have, the secretary could write to the organisations in Bundaberg. If you give us the names, we will write and find out from them.

**Mr MARTIN**—Great idea.

**Ms GAMBARO**—Firstly, it seems to me there is a bit of a communication problem with people coming from overseas as to when the seasons occur. A lot of that

would be predictable but a lot of it would be unpredictable, because of weather conditions. How do you see us improving our communication system so that people who come to Australia can be assured of jobs and do not have to rely on charitable organisations? Is there a system that we can improve? Are we communicating to overseas travellers in an adequate way about the different seasons?

**Mr Hassall**—I do not think the industry as such communicates to the people on the other side of the water who are intending to come here. The advertisements I have seen have been in books similar to that one quoted in the paper. I saw something which one of the coach companies had done about where work was available throughout Australia.

To go back a step, why do these people come to Australia? Someone asked before about if they were tourists or workers. It is so enmeshed, I think, in that they have not got much money, so they come here to see the place and work to get some money to see the rest of the place. That is my impression about the people who come under this label.

But to get back to your question, we do not advertise overseas about when workers are required.

**Ms GAMBARO**—Have you done surveys as to what countries the people who are engaged in the areas you outlined originate from? For example, are there many Japanese people involved in fruit picking?

**Mrs Fullelove**—Not in my particular area. They are mainly people from Canada, the US and European countries.

**Ms GAMBARO**—What would be on the top of the list? Are most of them from Canada?

**Mrs Fullelove**—A lot of them are from Norway, Denmark or Sweden—those sorts of northern European countries. That is only anecdotal though; I do not have figures to back that up.

**Ms GAMBARO**—I guess it depends on the region, but what would be the average working time that these people would be engaged in fruit picking?

**Mrs Fullelove**—Usually a short time of a few weeks.

**Ms GAMBARO**—A few weeks, and then it is all over.

**Mrs Fullelove**—I do not think not being able to work for a particular employer for more than three months would be a problem.

**Ms GAMBARO**—No, that is not an issue for your association as such. There has been some criticism of, for example, employment agencies trying to encourage workers to falsify their residential status. Is that a bit of a problem in your industry?

**Mrs Fullelove**—I am not aware of it.

**Mr Hassall**—I have not heard comments like that.

**Ms GAMBARO**—On their declaration forms they will pay a lower rate of tax. So you have not come across that particular issue?

**Mr Hassall**—No, I have not come across that.

**Ms GAMBARO**—I was really concerned about the withholding of passports. Is that a regular occurrence?

**Mrs Fullelove**—I do not know how often it occurs. I was very concerned about it when I first heard that, too. They give up their passport. I am not saying that they take it from them.

**Ms GAMBARO**—Just to go back to this problem, how often does it come to your attention? Is it a regular occurrence, or does it happen once in a while?

**Mrs Fullelove**—This happened, to my knowledge, at the beginning of this year, but I think it has happened in the past. I have only been employed in this position for this year, and it was during the time when we had very little work available and there were working holiday-makers in town. That is when it occurred. I did not realise it was happening until a working holiday-maker came into our office and actually asked us for work and he started to explaining to us what his situation was.

**Ms GAMBARO**—I think this is the first time we have heard of it. We have not heard of any other cases where passports have been withheld.

**CHAIR**—I think it was raised once before.

**Mr Hassall**—Can I just make a general statement. These people are a very valuable resource to the horticultural industry. There are problems; but, as I said, they are very valuable to the industry. We would like more of them to be spread around in the right areas at different times. One of the underlying things, I think, is that the 'traditional' seasonal working requirements in the horticultural industry have changed. When I was young, there was a group of itinerant workers who moved from industry to industry and saw a lot of Australia. Now the seasons overlap. The seasons between crops have been stretched; so they overlap. The seasons between districts overlap. There are probably more districts involved in horticulture in Queensland, for instance, than there used to be. You



can look at places like Bowen and Bundaberg. Bundaberg is a major horticultural growing area. It has taken a lot of the production probably that used to be grown in areas near Brisbane like Redland Bay and the Lockyer Valley, which now grow a lot of houses. The seasons have stretched. The number of itinerant seasonal workers seems to have dropped off, and they have been replaced by backpackers. Now there are obviously an awful lot more backpackers around—or working holiday people from overseas—than there were a few years ago. As I said, they are very important to our industry.

**CHAIR**—When you are picking in this industry—whether you are a local Australian or from overseas—how many days a week do you do it?

**Mrs Fullelove**—It can be seven.

**CHAIR**—Would it be one of the problems with the young local people that not only are they committing themselves to a Monday to Friday job, but that it is seven days? How long would it go on for? Would one week run straight into the next?

**Mrs Fullelove**—Yes. I think the work is not particularly attractive, quite often, to local people.

**CHAIR**—I can see their problem. As much as you might like to work, there might be a day when you would like to meet a girlfriend or a boyfriend.

**Mrs Fullelove**—The other thing is that it is intermittent. You may work flat out for 14 days and not work for another 14 days, which is difficult for a lot of people because they need to survive in the meantime. The point I was trying to make before is that, while it is very important that we have working holiday-makers, it is also difficult for itinerant Australians or local people to access the work.

**CHAIR**—The committee would be concerned about that.

**Mrs Fullelove**—We have people who ring our office searching for work, and we cannot help them. I do not want to be seen to be bashing the CES, but they said to me that they have this new system in place with touch screens where they can access work around Australia. I said, 'That is really good.' What happens when they touch Bundaberg? They get Bundaberg, and it tells them when they can pick and so forth; but there are no growers listed there, so it is useless.

**CHAIR**—There is no contact point for them?

**Mrs Fullelove**—No.

**CHAIR**—That is the job of the CES. It should be providing that contact point.

**Senator TROETH**—Is that because the growers do not see the CES as a valuable reference point for providing short-term labour?

**Mrs Fullelove**—Yes.

**CHAIR**—They have access through the hostels.

**Mrs Fullelove**—Yes, that is right.

**CHAIR**—Let us face it: the growers are flat out; they have got a business to run; they have got good access to labour. So it is not their real problem.

**Mrs Fullelove**—Quite often they would like to use locals, but it is more difficult.

**CHAIR**—There is a system they would have to go through to find those locals, and right now the system is working. So it really is up to the CES to get some contact for young Australians to get out there.

**Mrs Fullelove**—There is room for both. There is room for working holiday-makers, but there needs to be room for the locals and other Australians—itinerant traditional-type picking people—as well.

**CHAIR**—Mr Hassall, I would like to return to the tax for a moment. The department of immigration is now going to issue authorisations to working holiday-makers before the taxation department will give them a file number. Do you see that as being an asset to helping solve some of the problems that we have got?

**Mr Hassall**—Something like that could be, yes.

**CHAIR**—Do you think there is anything else we could do to go further? I have already asked you; but I am just following on from the fact that they are going to ask for that authorisation before they give the number.

**Mr Hassall**—There was a question from Senator McKiernan before. That is something we have to look hard at. We have to get the people who are directly concerned—the growers—to think hard about this subject of illegal workers and just how they see it can be improved, rather than just saying a throwaway thing like ‘Get the CES to do it’ or ‘Get the tax office to do it’ or something like that. As you would realise, no-one wants to be doing something illegal.

In this additional submission I put in I used the word ‘conflict’ in one place, and that is what does happen. We have had phone calls from a grower with a very large concern, flat out picking, and he has been raided or whatever by the department of immigration. He did not know what to do. His first impulse would have been to throw

them off the place; but you cannot do that. There has been communication between our organisation and the department of migration to clarify as much as possible where the problems arise. As you can realise, if you have 100 or so workers picking, packing, the packing house going flat strap, and everything has to come to a crashing halt, it can cause a lot of angst and a lot of lost time and money. So, that area is one on which the organisation and the department of migration have been working and communicating; but there is still a gap of information or comprehension there somewhere.

**Senator STOTT DESPOJA**—I would like to return to the issue of the CES. I was actually going to ask you earlier to elaborate, but I think you have done so. I am curious because I would like to know the faults that you have pointed out in the CES operations. I am just wondering how much of that is a result of a lack of resources, stretched resources, or a lack of inclination. I note in this article that has been tabled—bearing in mind that there are concerns with the book that was quoted—that, in fact, the CES is listed as the place to find work, both in Bundaberg and in the other areas that are noted, for the types of work that we are talking about. I am just wondering what other concerns you have about the CES operations. Is it a lack of resources or inclination? What do you suggest could be improved in your relations, as employer groups, with the CES? Also, what should the CES be doing?

**Mrs Fullelove**—I think it is a lack of resources plus a disinclination. It is difficult for them to put staff on to that. Yesterday, I spoke to the fellow from the CES who we usually deal with on this issue, and asked him again whether we can look at having some sort of harvest office which would coordinate this. He said, ‘I can’t afford to have a fellow sitting in an office with a phone all day waiting for it to ring.’ I said, ‘What’s wrong with him going out and finding out?’ It really surprised me when he thought that all I wanted was for someone to sit in an office with a phone. Growers will not ring him up. He will have to go out and be proactive in organising this. I felt that was a concern.

**Senator STOTT DESPOJA**—So he did not necessarily respond positively to that suggestion or was a bit concerned as to how to implement it?

**Mrs Fullelove**—I am not sure. Perhaps he did not have ideas about how to implement it. I think there have been some changes in the CES that make it easier for them to actually go out and canvass employers. In the past they have done a lot of case management, which meant that they often had to find positions for people who really did not want the work anyway; but I think that has changed, which does make it easier for the staff to be more proactive, I guess.

**Senator STOTT DESPOJA**—I have to say I do not know what the new arrangements will be. Given the post-budget announcements regarding the CES and given that there will be private providers and incentives paid to people to find work, I do not know whether or not that work will be available to people on working holiday visas. That

might be something we find out.

I have just two other questions, which I have asked previous witnesses this morning. The idea of a bond or the condition of obtaining a visa is that you have a certain amount of money in the bank or you demonstrate that you have a certain amount of money. Do you support that, and, if so, how much? This is either to Mrs Fullelove or Mr Hassall.

**Mr Hassall**—I am not sure that I support the idea of the bond, and I would not be able to hazard a guess as to an amount—that is for sure. I personally have just come back from a trip overseas—the first time ever I have got out of Australia. I was not looking for work over there, but, just thinking of the implications of having to produce a bond before you allow someone into the country—I am not too sure about that.

**Senator STOTT DESPOJA**—That is my terminology—the bond—but I suppose I am just referring to it differently. But you know what I mean.

**Mr Hassall**—Yes.

**Mrs Fullelove**—Having a bond might overcome the problems of working holiday-makers having to access charities; if they can access their bond when they need it, they would not then have to give up their passport to be given a loan by the hostels as well. That might overcome some of those problems. I would not like to say how much they would put up.

**Senator STOTT DESPOJA**—Just one final question, a general one, I guess. I am very concerned about what you described as the interrelationship but also the tension between labour force and tourism and I am concerned that perhaps some employers do consider these people on working holiday visits simply, as you said, as a labour force. I was wondering, just elaborating on something you said earlier about the itinerant nature of the work force, whether we are able to demonstrate that these people who are working seven or 14 days straight are then actually doing the other half of the purpose of their visit, and that is enjoying the tourist ventures and facilities that are available—or are not available, in some cases.

**Mrs Fullelove**—From what I have seen, I think some areas are regarded as workplaces by even the working holiday-makers and some places are regarded as where they go to when they have earned some money. I know that they will come and go from the Bundaberg and Childers area. They will come and earn some money and then they will go on to Airlie Beach and so forth; then they will come back and earn some more money. I think they see the distinction themselves between when they are working and when they are being tourists. I am sure they do some tourist things in those working areas. Like I said, there is scuba diving. But obviously there are some areas of Australia that are

much more attractive to go to for holiday making.

**CHAIR**—I have been to Airlie Beach a couple of times. I am started to getting very interested in Airlie Beach.

**Mrs Fullelove**—I have been there recently and there were a lot of—not necessarily working holiday-makers, but overseas backpackers.

**Mr Hassall**—I think it is the case if you walk along the Esplanade at Cairns too. Everyone is younger than me, for a start.

**CHAIR**—It is depressing, isn't it? I have the same experience. Are there any more questions?

**Senator McKIERNAN**—You mentioned the backpacker going to charity. The witnesses that are appearing before us next also mentioned that in the context of it being seen on television. Do you know if they are talking about the same one?

**Mrs Fullelove**—I am not sure what you are referring to in the next submission.

**Senator McKIERNAN**—They talk about a working holiday-maker not being able to get employment and going to charity for help.

**Mrs Fullelove**—And that was covered on television?

**Senator McKIERNAN**—It was covered on television.

**Mrs Fullelove**—Yes, in our area, it was. It was covered by the local news and they interviewed a working holiday-maker who had been to the charity to obtain food.

**Senator McKIERNAN**—Not a good advertisement for Australia.

**Mrs Fullelove**—It was a big issue at the time, yes.

**CHAIR**—Thank you very much for coming and giving your evidence today; it has been most useful to the committee. If we have any more questions, the secretary will write to you and ask you. We will follow up, certainly, on some of the points that you have raised with the organisations. Perhaps before you leave we could take the names of the organisations in Bundaberg that we should write to; that would be helpful. We do have the CES appearing before us later on, and perhaps we will ask them to comment on some of the things that have been said here today. We thank you very much for coming.

**Mr Hassall**—Thanks very much for allowing us to put this submission to you.

**CHAIR**—Thank you.

[12.23 p.m.]

**BURNET, Mrs Joanna Mary, Owner/Manager, the Visitoz Scheme, Springbrook Farm, via Goomeri, Queensland 4601**

**CHAIR**—The committee has received your submission and has authorised its publication. Do you wish to make any additional comment to your submission at this stage?

**Mrs Burnet**—No.

**CHAIR**—So you would like the committee to go straight into questioning?

**Mrs Burnet**—Yes.

**CHAIR**—Is anybody prepared to start off the questioning?

**Mr MARTIN**—I notice that you particularly have an interest in the agricultural sector of rural Australia. I was interested in some comments that were made by other witnesses this morning about the availability of information for people overseas to get a feel for what work opportunities might be available in Australia. In evidence that we have received from organisations that are specifically dealing with backpackers and working holiday-makers here that want access to job opportunities, we have been told that some people advertise, that some of the brochures that are available from the youth hostel association, VIP Backpacker Resorts Australia, et cetera, similarly advertise that they are able to find people work.

Are those sorts of publications and backpacker magazines and books that we have seen talked about here in the Bundaberg newspaper the sorts of information sources which are now becoming more and more prevalent? Do they give a lead to people looking for jobs, telling them where they can go and when they should be there? And is there sufficient information being made available to them?

**Mrs Burnet**—That is a very big question. That is one of the publications that comes out in the UK—there are several. In here there are about 10 pages or so on working in Australia. There is one page completely about harvest work. We have not gone into this one yet. The *Lonely Planet* also says something, but they are pretty inaccurate, I am afraid to say. There is also another magazine called *Go Australia*. Those are the UK ones.

As to Dutch ones, they have a very good organisation there and they certainly give a lot of information to their participants before they come out. As far as I can gather, most Dutch come with the organisations rather than independently. Most Brits seem to come independently and Canadians seem to come independently, so they do not get the

information until they get here. That is my experience on that.

**Mr MARTIN**—And when they get here, is that information available, from your experience?

**Mrs Burnet**—This is a bimonthly magazine, and in there is a list of all backpackers. Some of these are saying, ‘Workers wanted’ and so on. There is plenty there. There are pages and pages in this particular one about working opportunities, and there are others.

**Mr MARTIN**—And is that information accurate?

**Mrs Burnet**—I cannot talk about fruit and vegetables, because, simply, I have nothing to do with it. But I imagine it is fairly accurate. We live quite close to Gayndah and Mundubbera, which you were mentioning earlier, and certainly, from the orange point of view, for those two places it is mostly citrus fruit. They do not appear in this at all, and it is a great pity because they do not get enough workers.

**Mr MARTIN**—If they did, if someone from the industry was proactive and if there was an industry association that perhaps accessed advertisements in some of these backpacker publications overseas, they would provide more accurate information as to seasonality of employment opportunities and probably availability as well?

**Mrs Burnet**—I would say so, yes; but even once in this country as well.

**Mr MARTIN**—And that might overcome the sorts of phenomena we have heard about this morning where people on working holiday visas turn up in townships expecting work opportunities to be made available and they are not there, and they therefore go to local charities seeking assistance?

**Mrs Burnet**—I think that would solve a lot of problems.

**Senator McKIERNAN**—If I can follow that up, don’t you think a cap might be able to help avoid the circumstance which you described in your submission of people going to the Salvation Army for assistance when they become destitute?

**Mrs Burnet**—That was only something we saw on television—I do stress that. We live only 200 kilometres from Bundaberg so we get the same television. I honestly do not feel that a cap is a good idea because at the moment I have 159 vacancies in the outback—and that is a lot of vacancies. I managed to place four Australians last week but I still have a lot of vacancies.

**Senator McKIERNAN**—Those vacancies are there in a context where the numbers coming on under the current cap has almost doubled?



**Mrs Burnet**—Yes; we need many, many more people in the rural sector.

**Senator McKIERNAN**—That is interesting. In your submission, you talk about reciprocal arrangements and how they should marry, and you mentioned the United Kingdom experience. Are you aware that Canada has got a cap on the number of Australians who can go and spend a working holiday?

**Mrs Burnet**—No, I was not. I do not know the rules in most cases.

**Senator McKIERNAN**—Would you agree that if one country puts a cap on Australians going there, Australia should reciprocate in a like manner?

**Mrs Burnet**—I do not think so. I think we should be open-hearted. We have a beautiful country here. Let's tell people about it. I would be a great one for saying, 'Send 100 Russians every year. Send 100 Israelis.' Let them see what the country has; let them see all our advantages, and so on. Okay, they are only here for a year, but they will go back and they will tell their country all about it and then maybe their country will open up to us. I think we have to be open-hearted. I am totally the wrong way round for that, I am afraid.

**Senator McKIERNAN**—I noticed that in part A of your submission where you are talking about additional reciprocal arrangements. I did notice, however, that there are no Asian countries mentioned.

**Mrs Burnet**—We have Koreans and Japanese at the moment.

**Senator McKIERNAN**—So you are not interested in getting people in from Malaysia or Indonesia?

**Mrs Burnet**—I am delighted to have anyone from anywhere. They are the only ones we have seen so far.

**Senator McKIERNAN**—What you are saying is that there is no specific reason why you have not mentioned or included an Asian country in this list of 12 or 15 countries you have put in.

**Mrs Burnet**—Those are the other countries from which we have had people wanting to come.

**Senator TROETH**—Part of that might be because, if you are looking at placing people in the agricultural sector or helping them to find work there, people from Asian countries would perhaps have little or no experience in the agricultural scene—and I not saying they should have—whereas people coming from Canada or the UK may have more experience of the sort of work you are looking at.

**Mrs Burnet**—No, I do not think that is the case at all. If a Malaysian came along and they were allowed to work we would be happy to help them. There is absolutely no question about that. Fifty per cent of the people who come to us are totally ignorant in the ways of agriculture and we have to teach them how to turn on the tractor and go from there. But they learn very quickly; they are all intelligent and they are all here for a reason—they all want to see as much of the country as they can.

**Senator STOTT DESPOJA**—If I can just follow on from that, why do you suggest in your submission that there should also be an English test for those from countries where English is not the first language?

**Mrs Burnet**—It is very obvious when you think about it. If you have a tractor running and you tell someone to do something and their English is not marvellous so that they have not heard it particularly, they could go and do something extremely dangerous. This is why we have to go through an awful lot of safety things first with the people, and make certain they understand the safety regulations first before they pick up a chainsaw or climb on a horse. If you are shouting at someone because they are doing something stupid, and they cannot understand every single word, they might do something idiotic, and that could be dangerous and someone could get hurt.

**Senator STOTT DESPOJA**—Should that English test be specific to your industry, or across the board when it applies to working holiday visas?

**Mrs Burnet**—No; it should be just a general one.

**CHAIR**—How are the finances of your scheme worked out? Where do you get your income from?

**Mrs Burnet**—The students themselves pay for the training.

**CHAIR**—The students themselves pay for the training. What sort of fees are there?

**Mrs Burnet**—Four hundred and fifty dollars pays for four or five days of training. It is intensive, and they are also staying with us during that time. It like investing in a dive course or something, but they are actually going to get something out of it afterwards.

**CHAIR**—And do you place them after that?

**Mrs Burnet**—Immediately afterwards, if that is what they want; yes.

**CHAIR**—Do you have any problem placing anybody?

**Mrs Burnet**—No.

**CHAIR**—You say in your submission that you give actual preference to young Australians.

**Mrs Burnet**—Yes.

**CHAIR**—Do you have many young Australians doing your course?

**Mrs Burnet**—We have had four so far.

**CHAIR**—Is that because young Australians do not know about it, or because they are not interested?

**Mrs Burnet**—Mostly because they are not interested, I am afraid, because the local TAFE also does an eight-week course in agriculture. But then, when we were in touch with the TAFE and trying to place their students afterwards, the TAFE person in charge of placing them was saying that there were no jobs in agriculture in the area. That is actually true: there are not any in that area, but none of them was prepared to leave the area and go outback.

**CHAIR**—And presumably the TAFE does not look around in as wide an area as you do, so there is the advantage.

**Mrs Burnet**—I tried to encourage them when I was working with them, but they have got a new person there now and she is not interested; so I just left it. It is sad.

**CHAIR**—So the young Australians really are missing out because the young holiday-makers are really seeing a resource that they, perhaps, do not know exists, or because there are cheaper ways to do it, but they miss out on finding the job at the end of it.

**Mrs Burnet**—Yes. Any Australian, of course, can ring up direct someone advertising in *Country Life* and say what they can do, and go along—if they want to.

**CHAIR**—Would you feel that perhaps the employers are more inclined to actually take people who have come through your course, because at least they know there is an understanding of what is required by those people?

**Mrs Burnet**—Exactly. This is why we insist that anyone who wants a job through us has to come to us first, either to be assessed or to do the training. Otherwise, our employers would not be able to trust us then to produce the right level of competence.

**CHAIR**—Can I just quickly refer to a couple of other things that you have

mentioned? Compulsory medical and accident insurance: have you had any bad experiences with that?

**Mrs Burnet**—No, we have not. But there could be. We have never had an accident of any significance at all. The biggest one was someone dropping a motorbike on their toe, and that just produced a dark nail, and that was it. But we feel that people without any accident, medical and travel insurance coming to this country are a liability to themselves. All the Dutch organisations seem to do it, and most British people somehow seem to manage to do it, but we found an awful lot of Irish and Canadians come without any insurance whatever, and that is dangerous, because they are not entitled to Medicare, either.

**CHAIR**—It is interesting. In Sydney, we talked to the organisation which assists young Dutch backpackers, and they also have an orientation back in Holland, so I think perhaps the answer is that they are better informed. Would you agree with that?

**Mrs Burnet**—I would say that the Dutch ones are very well informed—those coming through those organisations.

**CHAIR**—What would you suggest that we could do to ensure that the others are equally well informed?

**Mrs Burnet**—Short of actually producing some piece of paper that goes out with their visa application form, I do not know. But that would be the way to start, I think. Put it on the visa application form and say, ‘This is the information you need to know. You have go to do this, this, this and this, or else you are going to find it very hard’. That is all, I think. People advertise on that.

**CHAIR**—And you are personally not in favour of a bond, because you are aware of it being misused, where people simply borrow the money from somebody, put it in the bank account and say ‘Look: I have got the money,’ and then pay it back again. So it is useless, as far as you are concerned.

**Mrs Burnet**—We are aware of that. It is absolutely useless, as far as we are concerned. Really, the best thing is to insist on a return air ticket, which is not the case at the moment.

**CHAIR**—Isn’t it true, though, that it tends to be limited to one year, that there is a 12-month limit on many of these tickets, so in fact they cannot get the cheaper fare return ticket if they are on their one year’s working holiday visa?

**Mrs Burnet**—I do not know about that but I know certainly there are a lot of organisations and travel agents in Britain, because I was over there in March, actually advertising, ‘Go on a single ticket, it is cheaper, and then you have got more money to

spend over here.’ While I think it is a good idea to have more money to spend here, I also think it is actually a very poor thing to come with only a single ticket.

**CHAIR**—Are you aware of any holiday-maker wanting to go home and not having the funds to buy their ticket?

**Mrs Burnet**—Yes, we have heard that—not through our organisation, though, because we can always give them another job, but we have heard it from people who have been with us and told us about someone who was having to go home and they could not.

**Ms GAMBARO**—Just a very quick question: do you have or have you heard of any administrative problems from applying from overseas? Are some countries that we have agreements with a lot easier—can people apply from them a lot easier than other countries?

**Mrs Burnet**—For a working holiday visa point of view?

**Ms GAMBARO**—Yes.

**Mrs Burnet**—Obviously the countries that come a lot, like the UK, Ireland, Holland, Canada and Japan and so on, we have had no problems at all with, apart from a little period after Senator Bolkus put a spanner in the works. But otherwise, Denmark and Germany—these are ones we get particularly a number from—Denmark seems to have a quota system whereby they allow—I do not know if this correct, but this is what it seems like—so many a month and after that you have got to apply the next month.

We have just had an applicant from Germany and she has been in touch with the embassy and she has faxed back to us to say that the embassy in Bonn wanted all the information about where she is going exactly, she has got to produce an exact itinerary, where she thinks she would like to work because she wants a working holiday visa, how long she thinks she wants to work in each place and so on. That is very difficult for someone to work out. And we said, ‘Well, you will have to decide what you want to do,’ but it is very difficult to plan in advance, particularly when you do not know so much about the country until you actually get here—obviously you know a bit. But I thought that was a bit difficult. I would love to see people from some of these other countries like Sweden, Austria and so on, because most of them have got—certainly the Swedes and Norwegians—very good English and they would be absolutely fine here. But agriculturalists from any country I would like to see.

**Ms GAMBARO**—That answers my question as far as it is a little bit harder in certain countries like Germany where they are asked for an itinerary. That is quite interesting. It is surprising to hear you say that; I did not think they went into that much detail when they were issuing these visas. Any other administrative problems and ideas on how we can improve the administration of the system to date?

**Mrs Burnet**—Apart from the little things we suggest, like a return ticket, insisting on seeing insurance, I do not think too much else. It has done very well. We are very grateful to see all these young people here and it is lovely for them, particularly if they are, say, taking a year between school and university and so on. One little point: in Queensland you finish school at 17 and in Scotland you do at 17 as well. We would like to see that the Scots who are already qualified for university and are taking the year off before university actually get the chance to come here before their 18th birthday. Otherwise they would lose the advantage of some of that year; maybe all of it. That is something I would like to see.

**CHAIR**—That is very interesting. Nobody has raised that with us before.

**Mr MARTIN**—Have a look at the names of everybody on the committee and you can understand why.

**Senator STOTT DESPOJA**—Obviously you are advertising for young Australians as well as those on working visas. Apart from the advertisements that you referred to, do you use the CES?

**Mrs Burnet**—We had a little session with the CES a couple of years ago. They sent me the names of 45 applicants they said had contacted us and I had apparently told these 45 applicants that we had no work. Three of them have contacted me and they had all said on the phone that they were going to come around and see me, but they did not turn up. That was 45 out of 45 who actually did not want to work in the bush. It is very comfortable in Bundaberg and I cannot see any reason for wanting to go out into the bush.

**Senator STOTT DESPOJA**—So you are no longer utilising the CES?

**Mrs Burnet**—Not at all. I would be delighted to help them if they want some help and we have some vacancies. But so far we have had absolutely no luck at all with them.

**Senator McKIERNAN**—Were you in London in February?

**Mrs Burnet**—Yes.

**Senator McKIERNAN**—You were at Australia House in the Strand. You say here that the Australian officials in the embassy were advising applicants to go to New Zealand as tourists. Did you actually heard it?

**Mrs Burnet**—I heard it, yes. I talked to several there while I was waiting.

**Senator McKIERNAN**—Several of the applicants or several of the officials?

**Mrs Burnet**—Several of the applicants.

**Senator McKIERNAN**—Did any of the officials seek to encourage the people to apply for a tourist visa to Australia on which there was no cap, no restriction?

**Mrs Burnet**—I am not aware of that and I did not ask. I was just interested in the working holiday part of it. The British ones were told, ‘Go to New Zealand and then perhaps by the time you get there it will all have changed.’ It did change, very quickly.

**Senator McKIERNAN**—The announcement on the increase in the cap was not made until in March. You are talking about February here.

**Mrs Burnet**—I actually was there on 3 or 4 March.

**Senator McKIERNAN**—You said February.

**Mrs Burnet**—I went there—

**Senator McKIERNAN**—The 3 March was actually a Sunday, I do not think you could be—

**Mrs Burnet**—I was in Edinburgh on 2 March, of course, which was a Saturday.

**CHAIR**—You would remember that day very well!

**Mrs Burnet**—I remember that day too because it was absolutely amazing what was happening in Edinburgh at that time at the backpackers expo.

**Senator McKIERNAN**—You were there after the election.

**Mrs Burnet**—I was there during the election and immediately afterwards.

**Senator McKIERNAN**—When did you hear the official advising people to apply for a holiday in New Zealand?

**Mrs Burnet**—That must have been the Tuesday following, because that was my first day in London. It was the first thing I did. I went down to Australia House.

**Senator McKIERNAN**—I have been to the High Commission a number of times. As I recall the visa issuing office, it would be somewhat difficult for you to overhear what was being said to an individual when they are talking with the official because there is a barrier there, a counter.

**Mrs Burnet**—Yes, there is a barrier, but I could hear what the person was saying. I spoke to them afterwards because we were all sitting there. It was packed out. It was like railway carriages and you sat and talked to your group while you were waiting, and

they all had to go back and talk again.

**Senator McKIERNAN**—Did it concern you that an Australian official whose salary is paid by the taxpayers of this country was advising people to holiday in a different country?

**Mrs Burnet**—I thought it was dreadful. But it was probably the only thing he could say because these young people had saved up their money, they went along for their visa and they were told, ‘No, you can’t have it.’ So what do they do? Do you say to them, ‘Come back next year.’

**Senator McKIERNAN**—Why would they be going along for a visa? We have seen some examples of the publicity that was around in Britain after the previous minister’s announcement on the cap. There was a lot of negative publicity. Why would they be queuing up in, as you say, numbers? Why would it be happening? Was there something else happening?

**Mrs Burnet**—Maybe it is like that everyday. I do not know. But there was certainly a lot of people there that day. Maybe they all felt that since the election was over there should be a change. But it was not quite as quick as that.

**Senator McKIERNAN**—You were there twice. Did it happen in February or did it happen in March?

**Mrs Burnet**—I actually flew over on 29 February, so I was there at the beginning of March. I was in the office directly after the election because I was in Edinburgh while the election was happening.

**Senator McKIERNAN**—That will be something that we will be questioning the department about when they appear before us.

**Mrs Burnet**—I think it is pretty hard. They did not have much of a choice for anyone who had really only got a little bit left before they had to go to university.

**Senator McKIERNAN**—They are paid out of my taxes. They have got a choice, all right.

**CHAIR**—Okay, Senator?

**Senator McKIERNAN**—Thank you.

**CHAIR**—Mrs Burnet, thank you very much for coming. I believe you have driven quite a long way today.



**Mrs Burnet**—Three hundred kilometres. It is all right. The Bundaberg people have come as far.

**CHAIR**—Thank you very much for coming so far to give your information; it was very valuable. If we do have any more questions, we will write to you and ask to follow up on those. Thank you very much. Although having said that, I do remember that the secretary drew my attention to a question she wanted answered. How do you feel about the limit of three months employment?

**Mrs Burnet**—It is perfectly all right, because nobody wants to work longer than that. They want to get holidaying and they want to spend it.

**CHAIR**—So that, in your industry, there is no desire to include that?

**Mrs Burnet**—Not a problem.

**CHAIR**—Thank you very much, Mrs Burnet, for coming today. I adjourn this hearing until tomorrow, 27 September, in Townsville.

**Committee adjourned at 12.50 p.m.**