



May 4, 2021

Patrick O'Brien, Committee Manager
Legislative Council Economy and Infrastructure Committee
Parliament of Victoria

Via email: tourisminquiry@parliament.vic.gov.au

Dear Mr O'Brien,

Thank you for the opportunity to contribute to the Parliamentary Enquiry on the Impact of the Covid-19 Pandemic on the Tourism and Events Sectors.

I write to you on behalf of the Backpacker and Youth Tourism Advisory Panel "BYTAP". BYTAP was established under ATEC in 2001 as the peak national representative body for the Australian inbound backpacker and youth adventure tourism industry. Our sector is a broad one representing the interests of youth and adventure tourism across the country including Victoria. We work closely with state based peak bodies including Adventure Tourism Victoria (ATV). More information about BYTAP can be found at the end of this submission.

By way of context, the value of the youth tourism sector to Australia is significant in terms of spend, length of stay, and dispersal. The Working Holiday Maker (WHM) reciprocal cultural exchange scheme that Australia has with 44 countries usually brings around 200,000 young visitors here each year, and generates \$3.2bn.¹ Over 20% of WHM jobs are in Victoria, and the money earned by these young, mobile Free Independent Travellers (FITs) is usually spent on their travel experiences. The average WHM spends 149 nights in Australia, including travel to many regional areas, frequently funding their extended travels by filling temporary labour supply shortages in sectors such as agriculture and tourism.

¹ Tourism Australia Working Holiday Maker Snapshot (2019 calendar year) tourism.australia.com/en/markets-and-stats/industry-sectors/youth.html

When the pandemic hit in early 2020, the inbound youth tourism sector was one of the most heavily impacted in the broader tourism industry. Many WHMs and international students returned to their home countries, with less than 40,000 WHMs currently remaining in Australia. Early estimates indicate that the average losses in inbound tourism receipts are in the range of \$2bn per month².

In Victoria, these losses were further amplified as the state went into an extended period of lockdown. While inbound youth tourism operators in other states began to find other sources of income through domestic tourism, this was not possible in Victoria. Many operators have therefore mothballed their operations or shut up shop completely - even today, large backpacker and youth hostels including Habitat HQ in St Kilda and Melbourne Central YHA in the CBD remain closed.

Together with JobKeeper, Victoria's *Business Support Package* has assisted many in our sector to survive however, with the end to JobKeeper, it is expected that our sector will see an increasing number of Victorian tourism businesses close their doors in the coming months.

Thankfully the youth traveller is one of the most resilient of all tourism segments, and market indicators suggest a strong restart when Australia's international border reopens. WHMs in particular generally stay longer, so if quarantine is likely to be a continuing requirement, this will not pose such a barrier as with other tourism sectors, as these young travellers are coming to Australia for an extended period. Their regional dispersal in due course will also support tourism in regional areas, as well as urban ones.

In the interim, BYTAP seeks two actions from the Victorian State Government:

1. The cessation of circuit-breaker lockdowns

As Victoria's tourism industry came out of lockdown, many operators pivoted to domestic bookings only to be hit by two lockdowns in 2021 (the first initiated by New South Wales, the second by Victoria) which left operators in disarray.

² [Tourism Transport Forum Estimated Impact of Coronavirus on the Australian Visitor Economy](#); [Tourism Research Australia - Tourism Businesses in Australia, June 2018](#).

The financial hardship of the circuit-breaker actions is a secondary concern to the larger impact on consumer confidence. While snap intrastate lockdowns continue, consumer confidence will not return. We ask that this practice ceases, and consideration is given to manage cases without the need to cease domestic travel movements.

2. Support a COVIDSafe Youth Working Holiday Maker (WHM) program restart

To facilitate a safe and controlled resumption of the WHM program to support economic growth in Victoria, assist the tourism sector, address agricultural and other labour shortages in the state, and manage community expectations, BYTAP seeks the Victorian Government's support to establish a COVIDSafe Corridor into the state of Victoria utilising BYTAP's three-phase framework:

Phase 1 – A fully arranged dispersal under a Pilot program

BYTAP endorses a trial period of fully arranged programs supported through selected COVIDSafe sponsor agencies who specialise in youth travel. This pilot will be limited in numbers to evaluate the viability of fully restarting the Working Holiday Maker Program under COVIDSafe protocols.

These trials will be highly controlled, characterised by pre-arranged travel itineraries planned by select COVIDSafe sponsor agencies. Participants will be sourced from pre-approved WHM countries, providing participants who have been vaccinated and are from countries with low rates of COVID-19 infection.

Pre-arrival testing and post-arrival quarantine, guaranteed work placements, and agreed limitations for regional dispersal will be implemented to minimise impact and reduce risk. In agreement with the State Health Authorities, the sponsor agencies will coordinate all aspects of the recruitment, support and administration of each participant. Support will include access to phone and web-based video contact.

Work would be in one of two select areas:

1. Agricultural work (e.g seasonal, horticultural and pastoral), endorsed by the National Farmers Federation (*3 - 6 month placements*); and
2. Au pairs (*6-month placements*) endorsed by the Cultural Au Pair Association of Australia "CAPAA".

All agricultural employment will be subject to labour market testing. Employers under all phases will demonstrate that they have implemented COVIDSafe work plans and protocols and preferably, as part of Phase 1, that their workplace, payroll, and human resource practices have been independently accredited. Placements in Phase 1 will be through experienced, licensed (where possible), and highly regarded labour hire organisations.

All families who will host au pairs will do so in the spirit of cultural exchange and will demonstrate they have COVIDSafe protocols in place. In phase 1, families will be located in regional Victoria, and/ or will be essential worker families.

If the sponsored employment is terminated for any reason, the participant will be given the option to contact the supporting agency to seek alternate agricultural work.

Phase 2 – Carefully staggered ramp up

Phase 2 would be an 'easing' of the rigidity of Phase 1, extending the program into other participating states as COVIDSafe international corridors are expanded. If mobility risks arise, the program in this phase can be scaled geographically by both source location and/or destination where COVIDSafe intra-national movement is appropriate.

While the pre and post-arrival safety measures such as testing and quarantining would remain in place and the participant would initially work for one employer in the approved industries — and employment would also be arranged prior to arrival — the itinerary would only be partially planned and government could potentially offer partial assistance (such as tax credits) for quarantine.

Phase 2 would remain in effect until the Federal government determines to lift international border closures, with participants arriving in larger groups, and arrivals being coordinated and staged to minimise numbers in quarantine at any one time.

Phase 3 – Independent travel

Phase 3 would still feature safety precautions in the nature of testing and arrival quarantine, but participants would have fully independent travel (subject to any domestic restrictions) with employment arranged on arrival.

Safety protocols

The health and safety of Australians and visitors is paramount. BYTAP endorses an extension of national health and safety protocols and a COVIDSafe corridor to include:

- Mandatory COVID-19 vaccination of all participants;
- Sponsor agencies will require participants to have pre-trip medical screening (including mandatory COVID-19 testing) and safety protocols, with costs covered by the traveller;
- Source countries that already have close existing trade relations with Australia, safe borders, and very low levels of new COVID-19 infections at the time of travel;
- Mandatory quarantine in Melbourne (or another location determined by the government) in COVID-safe accommodation. These may include budget accommodation options vetted by the Victorian State Health Authority with health screening checkpoints and verifications;
- Specified itinerary from arrival to departure using established inbound tourism networks including sponsor agencies and employers to control flow and dispersal of arrivals;
- All program participant companies including employers, will hold COVID-Safe plans;
- Use of the COVIDSafe App by participants and consideration of goPassport or other real time monitoring applications; and
- Mandatory travel insurance for international participants for the duration of the visa, with minimum agreed limits, to cover emergency medical treatment, hospitalisation and repatriation for medical emergencies.

Participants in each Phase would be subject to these safety protocols.

Quarantining

- BYTAP proposes the identification of affordable quarantining facilities for those participating in all three phases of the program. As the costs of air travel to Australia and travel insurance is expected to increase significantly, BYTAP believes consideration should be given to initiatives to offset the costs of quarantine for participants. These costs include accommodation, meals and transfers, and the health and security services as directed by the Victoria's State Health authorities. This could include a fully or partially subsidised quarantine by the federal government with the costs being deducted from the taxation of WHM's superannuation when the WHM departs the country.
- Alternately quarantine costs could be offset by the 15% 'backpacker tax', in addition to the 65% taxation that the government claims from superannuation when a WHM departs the country. For example, based on a WHM earning approximately \$12,000 gross over 3 months (i.e. \$1,000 per week) more than 80% of the \$3,000 two-week quarantine fee would be covered under this model:

\$2,541 (made up of \$1,800, being 15% tax on \$12,000 earnings + \$741 being 65% tax on \$1,140 superannuation earned over 12 weeks)

The proposed pilot offers the first steps to restart our tourism industry and also address critical State labour shortages. It is critical that as the world begins to re-open, that Australia, is not left behind. We would welcome the opportunity to discuss the proposal and provide more information to the committee.

We look forward to hearing from you and thank you for your support.

Yours sincerely,

WENDI AYLWARD

BYTAP Representative

ABOUT BYTAP

In 2001, The Australian Tourism Export Council (ATEC) established the Backpacker Tourism Advisory Panel “BTAP”, later becoming BYTAP with the inclusion of ‘youth’. The panel is the peak national representative body for the Australian inbound backpacker and youth adventure tourism industry with representation from industry in addition to state backpacker associations, such as Adventure Queensland, Adventure Tourism Victoria (ATV) and the Backpacker Operators’ Association of NSW (BOA). BYTAP works closely with Tourism Australia and various national, state and regional tourism peak bodies to elevate the profile of youth tourism.

The role of BYTAP is to:

- Act as the critical link between the backpacker and youth adventure industry, the states and territories and federal government in the interpretation of segment-specific issues;
- Represent the interests of the backpacker segment to other industry organisations, government and the community on a national level;
- Facilitate an active and effective policy forum where key industry stakeholders present issues for development and action;
- Raise the profile of the backpacker and youth adventure tourism sector;
- Lead the way in the on-going development of growth strategies to maximise the contribution of the backpacker and youth adventure market to Australia.

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