MEDIA RELEASE

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A WORKING HOLIDAY MAKER LOTTERY WILL CRIPPLE AUSTRALIAN INDUSTRY

The Australian tourism, accommodation, commerce and farming industries have delivered a stark warning to the Federal Government, expressing outrage at a new Working Holiday Maker (WHM) policy they say risks decimating industries already under immense pressure.

The Tourism & Transport Forum (TTF), National Farmers' Federation (NFF), Accommodation Australia (AA), a division of the Australian Hotels Association, and the Australian Chamber of Commerce and Industry (ACCI) have come together to make their position clear: they are aghast by the lack of any industry consultation of a policy that will have significant consequences for their sector. And if these measures are followed through, the consequences for Australian businesses, workers and the broader economy will be immediate and dire.

Unveiled by Immigration Minister Tony Burke at the National Press Club, the policy introduces a ballot system for Working Holiday Makers applying for their second or third year visa.

The new system will see caps set at 38,000 fewer visa places than were granted last year, with second-year visas capped at 45,000 places and third-year visas capped at just 5,000.

Compared with 2025 application approvals, this will see second-year places fall by more than 21%, and third-year places drop by more than 80%. **The estimated direct lost wages of these 38,000 lost workers is $1.86 billion**.[1]

Working Holiday Makers will also only be eligible to apply for the second and third year visa ballot after they have completed their 88 days and 179 days of regional work, respectively.

Together, the four industry bodies are calling on the Government to urgently engage with affected industries and undertake meaningful consultation before these measures take effect.

They are seeking urgent clarity on how the ballot will work, including when it will commence, how places will be allocated, whether the ballot will be split by subclass or country of origin, and whether transition arrangements will apply to Working Holiday Makers already in Australia who have completed their required work.

They are deeply concerned the new lottery-style system could undermine the very regional workforce the Government is seeking to support. If second-year WHMs only have a one-in-six chance of securing a third year, there is a real risk fewer will choose to undertake the regional work required to stay in Australia at all.

[1] Stafford Strategy Consultation

TTF CEO Margy Osmond said, "Let's be clear: the Government has replaced certainty with a lottery. Without certainty of a second or third year, we risk dismantling the incentive for Working Holiday Makers to undertake regional work, with real consequences for the businesses and communities that rely on them.

"Implementing these changes from November gives businesses just weeks to prepare, and with no consultation with the industries directly affected. A visa lost today is a worker lost tomorrow, and this uncertainty risks sending backpackers to competing destinations where they have greater certainty to stay, work and play.

"The reputational and economic damage to Australia's tourism industry could be felt for years. Businesses, communities and our international appeal will all feel the consequences of decisions that have been made without proper industry consultation."

"We need the Government to urgently come to the table with industry, undertake meaningful consultation and reconsider these measures. These policies cannot go ahead as they stand. Workforce planning needs certainty, not a lottery."

Accommodation Australia CEO James Goodwin said, "This is a crushing blow for the hotel industry who rely on Working Holiday Makers to fill critical workforce shortages across the country.

"Why would the government be targeting people who are motivated, mobile and help fill seasonal work, especially in the regions?

"Creating a lottery for second-and-third year working holiday makers will distort the system and hurt many hospitality businesses and regional economies. With only one in six third year visas having a chance to win a ticket to stay, some great people will have no incentive to work in regional communities or contribute to the visitor economy as tourists.

"The Government needs to consult with industry before these changes take effect. We do not support a lottery. If there are caps, they need to be transparent, and second- and third-year visas should be awarded through a clear, merit-based system."

National Farmers' Federation CEO Mike Guerin said, "The Government says it's fixing the problem, but farmers still don't know whether the workers they need for harvest will arrive in days, weeks or months. If applications are still expected to take around three months to process, they used to be processed in days. Calling this 'processing at pace' is neither fair nor transparent for farmers who need to harvest now.

"It's absolutely galling the Government first put a go-slow on visa processing without consultation, then releases a plan without the detail needed.

"Farmers across the country are stressed they don't know if they will have the workers to help harvest crops or milk the cows. This isn't just a farm problem, this is going to impact food and fibre production, which will be felt by every Australian at the supermarket checkout."

Australian Chamber of Commerce and Industry (ACCI) Chief Executive Officer Andrew McKellar said the new cuts to the Working Holiday Maker program will hurt businesses and our economy.

“Business is concerned the new Working Holiday Makers ballot system is in effect a direct cut to critical workforces. The year three reduction will in effect reduce the Working Holiday Maker program to two years, cutting the entire program by a third. This will see our workforce cut by tens of thousands across the country every year.”