

# **Australian Government review into the taxation of working holiday maker visa holders**

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Submission by:

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## **The Australian citrus industry**

The Australian citrus industry is one of the largest fresh fruit industries in Australia. There are approximately 1,500 citrus growers based in every mainland state and the Northern Territory, but concentrated in the Murray Darling Basin regions of SA, VIC, and NSW; and in the Central Burnett/Emerald region of QLD. The industry produces around 620,000 tonnes annually, with a gross value of production over \$500 million.

Citrus is also Australia's largest fresh fruit export, with a record 205,000 tonnes shipped to over 30 export destinations valued at \$280 million in 2015. Important markets include Japan, China, Hong Kong, Malaysia, the Middle East, New Zealand, USA and Indonesia. A more recent focus has been placed on the developing ASEAN markets of Philippines, Thailand and Vietnam. The industry is investing heavily in developing new markets and trading relationships in the Asian region.

Citrus is also one of the largest fresh import categories in Australia, with annual volume of around 23,000 tonnes valued at \$33 million. The Australian citrus industry produces only around 1% of global citrus production and competes directly in export markets with lower cost southern hemisphere citrus exporting countries such as South Africa, Chile and Peru.

## **Citrus Australia Ltd**

Citrus Australia is the national peak industry body for the Australian citrus growing industry supported by nearly 300 growers and affiliate members as well as an active and focused team that provides vital services to the industry. Grower members pay an annual voluntary membership fee, based on their citrus hectares, with corresponding voting rights.

## **Seasonal labour critical**

The Australian citrus industry is labour intensive and a large employer of permanent and casual/seasonal Australian and foreign workers. Despite the increasing use of the seasonal worker program, working holiday maker visa holders make up the majority of all seasonal workers for citrus picking, packing and pruning.

## **Local investment in backpacker accommodation**

Local/state governments; developers and industry are investing in regional accommodation and services for the expected increase need for backpackers:

<http://www.abc.net.au/news/2016-04-28/new-riverland-backpackers-resort-expected-to-be-full/7366796>

### **Scrap the proposed 'backpacker tax'**

It is distressing to learn that new quantitative research undertaken by Monash University demonstrates that Australia will become a less attractive destination if the proposed backpacker tax scheduled to commence on 1 January 2017 goes ahead.

Research by Dr Jeff Jarvis (Monash University's National Centre of Australian studies) into the motivations of working holiday makers clearly show that 60% of the sample would not have come to Australia if the tax was 32.5 percent.

### **Provide certainty & clarity**

Citrus employers and employees require certainty and clarity to conduct efficient business, harvest and pack fruit when mature and to market demands. The current proposed backpacker tax, its postponement and review has only served to exacerbate the confusion around the proposed tax, its implementation and expected consequences.

### **International competitiveness important**

Australia must be seen as an attractive destination for working holiday makers. Taxation rates must be equitable to those in New Zealand and Canada.

### **Strengthen rules for labour hire companies**

Increased governance and compliance by labour hire companies should be seen as a priority.

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