

Hon Barnaby Joyce MP  
Deputy Prime Minister; Minister for Agriculture and  
Water Resources  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Sir

### **Working Holiday Maker Visa Review**

The Gascoyne Development Commission (GDC) would like to make the following formal submission regarding the proposed changes to the Working Holiday Visa (subclass 417) and the Work and Holiday Visa (subclass 462) as outlined in the Review announced on 15 August 2016.

The Gascoyne region of Western Australia is heavily dependent on the tourism and agricultural industries as two of its key economic drivers. Both tourism and agriculture rely heavily on a seasonal workforce, a large proportion of which has traditionally been provided by international visitors holding the 417 and 462 visas. The GDC therefore has significant concerns regarding the impact of the proposed taxation changes with respect to the availability of seasonal workers.

The region is well known for its unique natural marine and terrestrial attractions that have seen tourism become the leading industry by value. Estimated average annual visitor numbers to the region were 332,575 for the year ending 2014, with tourist expenditure valued at \$222.7. Many backpackers work in hospitality and tourism businesses across the region, supplementing their holiday income so they can undertake further travels.

Horticulture, based along the Gascoyne River in Carnarvon, is also a strong contributor to the economy of the region with the Carnarvon horticulture industry valued at \$88.23 million in 2014. Farming work and particularly Horticulture has significant seasonal variation. It is difficult for small producers to employ full time workers with seasonal variation and weather impacting on production. For example, the 2015/16 mango and grape season was very short, lasting only a few weeks, and banana growers were out of production for a year post Tropical Cyclone Olwyn in March 2015.

The nature of this seasonal work means it is often not possible to source labour locally and working holiday makers have met this demand successfully to date. This has helped businesses in the Gascoyne to obtain the workforce they require to operate and grow which is otherwise difficult in such a remote area.

Many backpackers themselves rely on earning a local Australian wage to allow them to live and travel within Australia as opposed to relying on extensive savings. Money earned by these backpackers goes directly back into the region through tourism experiences, travel, accommodation and living expenses.

More broadly, the GDC believes the proposed tax changes will make Australia less competitive internationally as a working holiday destination which could encourage potential visitors to visit other countries offering lower visa costs and taxation rates in lieu of coming to Australia. This will further deplete the available pool of seasonal workers.

The proposed tax changes to the 417 and 462 visas will reduce incentives for backpackers to work and travel in regional Australia. This will have an adverse affect on the availability of a seasonal workforce in the Gascoyne which the tourism and agriculture industries rely on to function. It will also have a direct impact on tourist visitation numbers, further negatively impacting on the tourist industry.

The GDC formally requests the retention of the \$18,200 tax free threshold for 417 and 462 visa holders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Beard', with a long horizontal flourish extending to the right.

Tony Beard  
Chairman

2 September 2016