



30 August 2016

The Hon. Luke Hartsukyer MP  
Assistant Minister to the Deputy Prime Minister  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Minister,

**GRIFFITH CITY COUNCIL SUBMISSION TO THE WORKING HOLIDAY MAKER TAX REVIEW**

Griffith City Council welcomes the opportunity to make a submission in regards to the Working Holiday Maker Tax Review.

Located in South-Western NSW, Griffith City is the regional capital for the Western Riverina serving a residential population of 25 681 and a catchment population of 52 016 (ABS, 2011). Griffith and the surrounding region is a highly productive food bowl which accounts for over 50% of Australia's rice production, 25% of NSW fruit and vegetable production, 70% of NSW citrus products and 75% of NSW wine and grape products. Typically, Griffith's agriculture and horticultural production is worth over \$281 million per annum and is anticipated to continue to grow (ABS, 2010-11). A significant portion of this production is destined for export markets. Regional unemployment is a low 3.3% as a result of a high demand for labour in agricultural and related industries.

While Griffith is a thriving agricultural and industrial city, employment within the agricultural sector is highly seasonal and exhibits a high dependency on seasonal workers including working holiday makers. This is expected to be a continuing requirement. Griffith City Council is extremely concerned as to how the proposed tax change will affect regions such as ours which rely so heavily on intermittent workers to fill these positions. A recent study conducted by Monash University and YHA has revealed that the 32.5 per cent tax has the potential to cut the number of working holiday makers by 60 per cent.

The same survey also demonstrated that 57 per cent of working holiday makers would also spend less time travelling in Australia which will impact on our tourism economy.

Australia's cotton sector alone employs up to 10 000 people with two thirds of the casual workforce being backpackers. Seasonal agricultural industries such as cotton are reliant on access to short-term workers at certain times of the year. Ultimately the new income tax policy will end up affecting Australian companies as they will find it difficult to fill seasonal positions without a casual visiting workforce.

As harvest season is fast approaching, the agricultural industry is reportedly already feeling the impacts of the looming tax with fewer working holiday maker visa applications being received. As mentioned, business in Griffith and the wider Riverina region are heavily reliant on the working holiday makers throughout these seasons and there is uncertainty as to how businesses will now fill the positions. With this in mind, it is only inevitable that if the tax change was introduced, there would be far less working holiday makers coming to Australia, and in turn, the Riverina region.

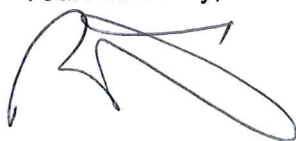
Like the agricultural industry, tourism relies heavily on working holiday makers as a flexible labour force and also as high spending tourists. According to Tourism Research Australia (2015), backpacker tourists account for 13% (\$3.2 billion) of the total tourism spend in Australia. In the last 12 months alone, the Griffith Visitors Information Centre has had over 1000 working holiday makers through the doors for enquiries. This is only a small snapshot into the number of potential workers and tourists Griffith could lose from the region.

Griffith City Council accepts that improvements are necessary to increase protection for vulnerable workers, as well as measures to increase the supply of seasonal and temporary workers from a variety of sources.

However, the Federal Government tax projections of raising \$540 Million over four years is predicated on Backpackers numbers staying as they are. This will not be the case as the damage to our farmers and tourism will have happened. Therefore Griffith City Council opposes revising the working holiday maker tax because of the detrimental impacts to our region and the national economy.

Once again thank you for the opportunity to provide our feedback.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brett Stonestreet', written over a white background.

**BRETT STONESTREET**  
**GENERAL MANAGER**