

## **Submission for Working Holiday Maker Visa Review - 1 September 2016**

Wages in Australia are quite good compared to other countries and this encourages visitors to Australia that want to work to fund their holiday here. Tourism is a prominent industry in Australia and benefits from the money that the backpackers spend - they spend what they earn here in Australia.

The agriculture sector has come to rely on the use of backpackers to perform many tasks that are difficult to get an Australian worker to do. There is two reasons for this. In the fruit and veg industry, Australians do not want to do this work. It is difficult and unfortunately young Australians today have it too good and don't "need" to work to survive. The other reason, is that in rural and remote areas, it is hard to get someone to "want" to come and work. This submission is to discuss the implications of the backpacker tax, as well as the changes last year to the rules around voluntary versus paid work being eligible for the second year visa.

I will now give some background into our business and how we have utilised working holiday visa holders in the past. Before the rules on voluntary workers changed, we enjoyed the cultural exchange that came with backpackers coming to our farm to work in exchange for food and accomodation. The reviews at the end of this submission are an example of how the cultural exchange is working for both parties. I am under the understanding that cultural exchange was one of the original reasons for bringing in a working holiday visa. The backpackers would stay for three months, which would then allow us to sign off on their second year visa application. We utilised sites like HelpX and Wwoof Australia to source these workers. We would get anywhere from 1-3 people at any one time, which meant that we got a lot of odd jobs done that otherwise we wouldn't have found time to do. The conditions of the Helpx volunteers or Wwoofers are that the helper does approximately 4-6 hours of work in return for food and accomodation, and the cultural experience. If there was to be any exploitation or abuse of these workers, the organisation will immediately exempt the host from the site.

We have a free range pork business and we are producing a product for a reasonably competitive market so any advantage we could gain was good for us. One of the advantages of these volunteers staying for the full three months was that it meant that we didn't have to re-train as often and people would stay for that long a time. It also meant that we had a constant stream of willing workers coming. We have developed some lovely relationships with some of these volunteers and these will last for years to come. In this way, it becomes a cultural exchange that leaves the traveller with many fond memories of Australia and the Australian people. After the rules changed, availability of workers changed. We now only get people periodically and they only stay for a couple of weeks at most. This has had a large impact on the health of my husband and myself as we can't afford to pay a full time wage and therefore are having to work a lot harder and are under a lot more stress.

The current rules state that we must pay a full-time wage to be able to sign off on the second year visa. On top of this we have to pay superannuation, which the backpacker then gets back, basically we have to pay an extra 9.5% on top of their wage. I think that if we employ visa holders then, the superannuation guarantee levy should not apply if they are only working for the time needed to satisfy the second year visa application requirements. Also if the farm owner only pays a part time wage but they stay on farm for the three months then, the entire time should count. Given that most farm work that utilises backpacker workers is a semi-skilled job, and we could have 1-3 backpackers at one time,

who have had no rural experience at all, and often speak little or no English, a fair degree of supervision is required. In these cases it's not practical to pay a full award wage. A distinction needs to be made between the fruit and vegetable picking industry and small to medium farm enterprises in regional and remote areas.

We have often discussed the fact that we didn't pay wages with our backpackers, and the reason why. They were under no illusion either before they came or once they started, what the work entailed and that it was unpaid. As one of our helpers said "It's far more rewarding working here doing interesting things for no pay, than to crawl around on my hands and knees picking zucchinis to get the second year visa."

32.5% tax on every dollar earned is a deterrent to working holiday makers taking up jobs. Especially if the work is difficult - e.g. fruit/veg picking. I firmly believe that it will reduce the amount of working holiday visa holders that come to Australia and will affect how much food farmers grow. It will, in some cases result in farmers giving up farming. This could lead to impacts on food supply, it will affect the local economies of towns in the farming areas, and all for what reason - for the government to make a little extra revenue. Small farms and tourist businesses don't have the benefits of scale to absorb costs, they are also more likely to look after workers better than the corporations will. It's going to cost the farmer the same amount (if he can get the workers), but the worker gets less. If they get less, they will then spend less in Australia. I think they should pay a fair rate of tax, because they do use public facilities. I would advise that they should be taxed at the marginal tax rate and that they should not be eligible for the tax free threshold.

I would also like to see the eligibility of volunteer labour being available again. I think that workers should either be paid a full and correct wage if they are doing a very difficult job like fruit or vegetable picking, but if they chose to work for food and accommodation, then they should be able to count that time towards their second year visa. In a voluntary situation, no one is making them stay, that would be called kidnapping. I do know that there has been some terribly unjust treatment of workers, mostly through labour hire companies. In fact, I contacted our local media some time ago as we have heard so many stories from our helpers/wwoofers and believe that there needs to be some protection in place to prevent the mistreatment of vulnerable workers. I think worker exploitation can be avoided by ensuring that farm owners are more accountable for the staff and not using labour hire firms as a way to avoid facing the fact that workers are being abused.

To finish off I would like to reiterate the following:

- The same marginal tax rate should be used for working holiday visa workers as Australian employees, however without a tax free threshold.
- Superannuation need not apply if they are working in regional areas to satisfy the work requirement for the second year visa.
- Voluntary work should be allowed or part-time work when the worker stays on the farm for the second year visa. Ultimately the individual should know if they are being exploited and leave the farm if they are. Volunteer workers that come through such organisations as HelpX or Wwoof Australia are already protected from exploitation through said organisation.

**These are some reviews from some of our former volunteers:**

*Helper:* [REDACTED]

*Date:* December 9, 2015

*From:* France

We stayed three weeks in Lucy and Kim farm's.

They are very nice people. Lucy cook very good food and Kim is very patient. If you love cook, it's really a pleasure to cook in house kitchen's and Lucy doesn't hesitate to give you recipes.

If you have a mechanical problem with your car, Kim always has a solution.

It's hard work but we learned quickly and easy. By exemple, we learned pig mix, fencing, displacement pigs...

Pets in the farm are very cute. We loved the two dogs who follow you every where.

At the beginner, I [REDACTED] was not very confident with pigs, but after some days, there were no problems.

Unfortunately, at the moment who we were in the farm, we didn't speak english very well, so we couldn't get acquainted with the Lucy and Kim children's, [REDACTED]

Thanks a lot Kim and Lucy.

*Helper:* [REDACTED]

*Date:* December 1, 2015

*From:* Germany

We had such an amazing time at Kim and Lucy's farm! Kim and Lucy were always friendly and thaught us a lot about animals, farm life and cooking. Sitting together at night exchanging stories was so much fun and very interesting. It was also very hard to leave the animals, especially Pudding, the little piglet that we bottlefed. Thank you so much for this awesome experience, we wish you all the best for the future.

*Helper:* [REDACTED]

*Date:* December 15, 2014

*From:* Finland

We had a great time working with the lovely House family on their property! :) The work was physically demanding and hard but it was definitely worth it. We totally fell in love with the pigs (especially the little ones - Salami and Chorizo - although we're pretty sure they're not that small anymore, haha)and the other animals, too!

We're so fortunate we found this farm and got the chance to get to know our amazing hosts, Lucy and Kim, who took good care of us. We did our 2nd year visa days there and are super happy about it. Lucy's food was amazing and we learned so much from her and Kim!

So Lucy and Kim, thank you for everything! We really miss you and all the animals!

*Helper:* [REDACTED]

*Date:* November 23, 2014

*From:* Taiwan

I have stayed on Kim and Lucy's farm for two months, and I had a really great time there. Kim and Lucy have been really nice to us, I felt I was very well taken care of by them. The work was quite hard at first, but I got used to it a week after, and then I found it actually kind of fun! I got to be very close to lovely animals. It was such an interesting experience! And I got to mention Lucy is such a great cook! Every dish she makes is a wonder. I miss her food so much! I gained a little weight there because the food was so yummy! Thanks Kim and Lucy for giving me such a good time. Hope everything's going well with you : )

*Helper:* [REDACTED]

*Date:* November 22, 2014

*From:* United Kingdom

Our time with Kim and Lucy was short but sweet. We stated for just over three weeks as we had previously made plans to head further north.

We will never forget our time at Anabank; we learnt a lot, worked a lot, ate a lot and had a lot of fun with the pigs, goats, dogs, chickens and ducks.

You will get out of this help exchange as much as you give, so if you're willing to have a go at something new and different and have a good work ethic then Kim and Lucy will make you feel at home, teach you as much as they can and give you the opportunity to try your hand at pretty much anything and everything that is part of their daily life, from making bread to driving tractors :)

All we can say is thank you to them for opening their doors to us and letting us be a small part in the Dawson Valley family.

*Helper:* [REDACTED]

*Date:* November 19, 2014

*From:* France

Stop to looking for! Go to Kim and Lucy's farm. It's the best family, I never met! Basicly I had to stay one month and finally I stayed 3months and the departure was hard!

Of course to work in this farm it's hard, but you learn a lot about job, about nature, about animals and about yourself.

Lucy is a very good cooker. She is interest about all kind of cook around the word and she likes to learn as well. Kim is very patient, he takes time to explain you properly how work in a farm. And you will see you will discover a wonderful landscape and other things with him!

This experience will be in my head and my heart all the rest of my life. I hope so it will be the same for you!

Claire

*Helper:* [REDACTED]

*Date:* November 17, 2014

*From:* Taiwan

Time in Ana bank is one of my most memorable experience in Australia. The property is huge! Every morning we drove car to feed pigs and some goats, and the work in the afternoon was varied, sometimes we built shelter for pigs and sometimes we mixed the pig feed. The work there was not easy but I got so many different and special experiences! I learned how to milk and drive quad-bike. I saw the new born piglet and calf, they are so adorable! And the scene in outback is so magnificent, I won't forget the burning sky, the spectacular landscape and all the experience with the animals.

Lucy and Kim are very nice and treat us like real family. Every day we ate together, and the food is also unforgettable! Most of the meat we ate is from their free range farm, such as pork, duck, chicken, turkey and etc. Probably the most fresh and healthy food I'd ever had. And Lucy even made her own cheese, cream, sour dough, and pickled vege, they are so yum! I was always expecting dinner time! Thanks Lucy, Kim, and [REDACTED]. You are the best! And I really like your life style!

*Helper:* [REDACTED]  
*Date:* November 13, 2014

*From:* France

This experience in this pigs farm was the best in my life!! It was just AWESOME!!!! I was with two Taiwanese guys and we shared a place with separate rooms and shower just for us but we shared the breakfast, lunch and dinner all together with host Kim and Lucy. Every days we had fun, feed the pigs, chooks, collect eggs, quad biking for start the pump to give them drink, do the feed with Kim...etc The work in general is not easy but very interesting and it's not a place for lazy people. What i mean, it's impossible to be lazy over there, it's so fun and awesome. I fully recommend this experience. It's not necessary to know about or have experience in farm, just willingness!! If you go there, ENJOY & HAVE FUN!!!!

*Helper:* [REDACTED]  
*Date:* November 8, 2013

*From:* Italy

Our experience at the farm was GREAT!! We really enjoyed working with Kim and Lucy :-). They are a lovely and hard working people..We miss you all already! The job was alright, not so easy but We really liked the pigs. We had such a good time with you and the dogs. We learned so much and We'll never thank you enough.. great family, AMAZING FOOD and good job..We couldn't ask more :-)  
Wish you the best and I hope to see you again!!  
This is the right place to go If anyone is looking for a real australian farm experience!!