



2 September 2016

## **Submission Regarding Proposed Changes to Working Holiday Maker Visa**

To whom it may concern:

Kagome Australia Pty. Ltd (Kagome) is the country's largest tomato processing company, delivering high quality tomato-based products since 1996. We are proud to grow, harvest and process our own tomatoes in Echuca, Australia (for further details go to [kagome.com.au](http://kagome.com.au)).

It is the position of Kagome. that any change to the current regulatory framework, including a change to the taxation system, that may negatively impact upon the supply of working holiday labour to regional Victoria should be considered cautiously. The role of holiday workers as an available source of supplementary labour during Kagome's very important peak periods should not be underestimated. The Kagome business model, across both our field and processing operations, is highly reliant upon an influx of available seasonal labour during our peak periods, and working holiday visa holders represent a significant proportion of this pool.

Kagome's employment philosophy is driven by the premise that local employment is our priority. However due to the nature of the work and the number of workers required, Kagome cannot envisage sourcing all labour from the local market during our peak periods. Without access to the current volume of holiday workers, Kagome is very concerned that our cost of operation will increase.

Although no direct cost difference exists in utilising working holiday labour compared to other sources, the additional expense required to source alternate labour would increase our cost base. Given the small margins we currently operate on, within the context of increasing global competition, any increase to our costs must be avoided. Increasing water and energy costs driven by previous regulatory intervention are challenging enough. Further regulatory change, in the form of the Backpacker Tax that risks further cost increase through reducing the supply of labour must be viewed with a high degree of caution.

If you have any queries regarding this submission, please contact me on [REDACTED] to discuss.

Regards

A handwritten signature in black ink, appearing to read "S. Habgood".

Simon Habgood  
Human Resources Manager  
Kagome Foods Australia