

## **Submission to the Working Holiday Maker Visa Review**

As the Federal Member for Parkes I welcome the opportunity to express my views on the supply and taxation of working holiday visa holders through the working holiday maker visa review.

The electorate of Parkes covers an area of 393 413 square kilometres - which is 49% of New South Wales. The electorate spans from the Queensland border in the North, to Lake Cargelligo, Tomingley and Ivanhoe in the South; from the South Australian border in the west to Gunnedah, Warialda and Coolah in the East.

Throughout this electorate labour supply is a fundamental issue. There are considerable issues within the agricultural industry in terms of attracting both low and high skilled workers. There has been recognition that workers need to be fairly remunerated and that that jobs for Australians should be a first priority. However, where jobs cannot be filled locally, visa programmes such as the Working Holiday Maker (417) or the Temporary Work (Skilled) (Subclass 457) visas have been vitally important.

While working holiday makers make a significant contribution to the workforce, they also contribute to the local communities where they find work by purchasing local products, along with their involvement in local sporting teams and community organisations.

I have received numerous phone calls, emails and letters from concerned constituents regarding the Government's proposed implementation of a tax rate of 32.5 per cent for non-resident 417 and 462 visa holders. Of particular concern is that since this matter was announced in the 2015-16 Budget, many employers are struggling to source backpackers, stating that the proposal has already discouraged backpackers from seeking work in rural areas.

I am of the belief that changing the tax rate for these workers to 32.5 cents in every dollar will have an adverse effect on program participation rates. Therefore, this proposal should be reviewed to ensure that these workers do pay a fair amount of tax, whilst still ensuring the Working Holiday Maker program is an attractive option for young travellers.

I would also like to put forward a proposal to include other areas of workforce shortage in regional areas that would enable the extension of the 417 visa to 2 years.

At the moment, there are fully qualified medical professionals undertaking rural work to qualify for the visa extension while their skills could be fully utilises in the local hospitals and aged care facilities.

I thank you for this opportunity to represent the people of the Parkes electorate and I look forward to the positive outcomes of this review.

Kind Regards,

Mark Coulton MP  
Federal Member for Parkes