

Property Owners' Association of Victoria

<http://www.poaasn.au>
www.poavic.org



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Agriculture Minister

6/9/2016

Dear Minister and Team

Re: WORK HOLIDAY REVIEW -

<https://online.agriculture.gov.au/dawr/servlet/SmartForm.html?formCode=work-hol-review>

Overview: The Property Owners Association of Victoria Inc (POAV) represents the SUPPLIERS & providers of privately owned rental properties in Victoria. The POAV represents the interests of all lessors, about half of whom self-manage and may use agents as managers for some functions.

Having seen and talked to literally hundreds and hundreds of these work holiday young people in the last few years and witnessed the sudden decrease this year due to proposed tax and talked to them about it, and to those who came years ago and who have now settled as permanent residents in Australia, this Association agrees that this proposed tax is tantamount to redirecting these wonderful young people away from Australia and the damage that will follow is serious and could induce a property crash.

The "backpackers" here all know about it and don't intend to stay for it if it is introduced. The numbers of backpackers" here now is much reduced on last year. It is felt by them that is because of the proposed new tax.

In the cities when they return after working in the country, they help supply labor for other valuable niche market positions on a casual basis, that are adding enormously to the vibrancy of the inner city, in restaurants and adding cosmopolitan outlooks to our cities.

Re: Govt vs Industry: First you tax it almost to death, then you have to subsidise it, then you bury it in redtape. It comes from letting lawyers run Govts. The work-holiday people are not on high incomes, have to pay extra for health costs and they are 10 times better as potential migrants to this country than the dopey refugees that come here looking for handouts. There are virtually NO muslim refugees looking for these manual work jobs. The GST these work-holiday people pay is more than other people too, they are not getting it back when they leave either.

If your Govt does not immediately revoke the plan to increase the tax on these people, it will possibly stop for good, and no amount of reducing it back again will do any good, once the lines of connections are broken, as one person tells another and that chain if interrupted, it won't start again. We saw this in the accommodation/casual labor business, as one country of origin of people from a particular city in France say, for example, Leon, stopped, it didn't start again. Likewise from Dublin, when the working-holiday people stopped from there, they haven't resumed.

Therefore continuity is very important, and the sudden reduction now is indicating that the work-holiday people have stopped coming.

The comments about Superannuation - that there are enormous amounts left behind when they leave, and they should not have to contribute there either.

We are all descendants of migrants here, and the young people who come here now are so reminiscent of the people who came in the Gold-rush, displaced from the potato famine of Ireland and England, or from the other corners of the world who came here and forged a great culture, and created a nation that opposed draconian taxes, and fought for the freedom of the country they settled.

If this Government does not stand up for the rights of those people and for the spirit that brings them here, then we are doomed to become the poor white trash of Asia.

Our members signed papers from these "backpackers" here, especially from UK and Europe, seeking permanent residency, and seeing the high costs they have to undertake already, we saw how preferable they are to become permanent residents compared to our home grown Australians, compared to migrants from newly-wealthy asian countries with their cultural abhorrence of manual labor. Most of the asian young come on a student visas and work only a few hours in local industries/businesses near the unis, totally not interested in manual labor.

The low tax regime is important to bring these work-holiday people here with a valuable work ethic and a fine dislike of taxes and redtape... It is Time for Tom Sawyer philosophy and a reward for effort again, stopping the rot of welfare dependency. Welfare affects everyone, kills off the incentive to do manual work despite us having the highest rates for labor in the world. The labor rates in the fruit picking industry are relatively low, and under the site control of the Unions especially the cfmeu, the work-holiday people cannot hold down jobs in the construction sites, as soon as the union sees them, they are pushed out. This is shocking, as they are overqualified and the time to get their "cards" is excessive, and adding to the control of sites by the unions.

The low tax regime required for "backpackers", is similar to the land tax regime on owners here, it is free to own the first property, and a low rate for the first few, and only climbs to draconian expropriation levels after a long established and increased ownership. This makes the culture of negative gearing and self-reliance possible for the great majority of self-funded, self-employed small business retirees.

The necessity for low/no tax on the backpackers is not just affecting the casual labor in the country, it is essential for the renewal of the Australian spirit and economy.

We urge you in the Government to reject the proposed increase in backpackers tax, unanimously!!!.

Yours sincerely,
Raja de Alwis, Secretary of POAVIC, for
Property Owners' Association of Victoria Inc.