

Submission to the Working holiday maker visa review (industrial relations addendum)

The principal focus of the Queensland Government submission is to highlight the damage the proposed backpacker tax would have on the attractiveness of Australia as a working holiday destination and the supply of labour and much needed tourism dollars.

In addition, the Queensland Government wishes to highlight two further related areas of concern this review should consider – one, the employment opportunities available for Australian citizens and permanent residents, particularly those who are currently unemployed, and two, the treatment of working holiday makers in the workplace.

On the first point, the Queensland Government wishes to make clear that the first priority must always be the employment of Australian citizens and permanent residents. We recognise the role and positive contribution that working holiday visa holders and other temporary visa workers play in sectors of the Australian labour market like tourism, hospitality and agriculture, but rigorous labour market testing and other measures must be in place to ensure Australian workers have the first opportunity to fill those jobs.

The second related point is that where employers have a genuine need to use temporary visa workers for positions that cannot be filled by Australians, those workers must be treated well and receive their full and proper entitlements.

The Queensland Government is concerned therefore to hear ongoing reports about the exploitation of vulnerable overseas workers at the hands of unscrupulous employers, particularly at the hands of labour hire companies.

The Queensland Parliament Finance and Administration Committee (the Committee) recently inquired into and reported on the practices of the labour hire industry in Queensland, with the Committee tabling its report, *Report - No. 25, 55th Parliament - Inquiry into the Practices of the Labour Hire Industry in Queensland* (the Report) to the Queensland Parliament on 30 June 2016.

The evidence heard by the Committee included:

- a failure by labour hire companies to comply with basic award wages and conditions, health and safety and accommodation requirements
- systematic avoidance of income tax, payroll tax and superannuation obligations
- sham contract arrangements, where a relationship of employment in all but name is used to avoid tax and employment requirements, and
- workers left without recourse when their employer company closes down, only to then recommence operations under another company name (phoenix companies).

The Report recommended that the Minister for Industrial Relations progress the issue of labour hire through Council of Australian Governments (COAG) meetings to work together with the Federal Government to address the issuance of Australian Business Numbers (ABNs) to employees as a way for labour hire companies to avoid their employer obligations.

Government members of the Committee also issued a Statement of Reservation that supported State regulation of the labour hire industry.

The Queensland Government is currently considering the issues raised in the Report and is in the process of formulating a response, which is expected before the end of 2016.

These are issues of direct relevance to this inquiry. Just as a tax on WHMs wage income can influence their decision to travel to Australia or how long they stay in the country, regular reports of exploitation and mistreatment of working holiday makers can also contribute to a poor perception of Australia as a destination of choice and need to be addressed.

The Queensland Government requests that the WHM visa review considers the Committee's Report. The Report can be found on the Queensland Parliament website <https://www.parliament.qld.gov.au/> under *Work of Committees, Finance and Administration Committee, Inquiries*.

The evidence in this report comes on top of evidence uncovered in the 2015 Senate Inquiry report, titled, "*A national disgrace: The exploitation of temporary work visa holders*".

We urge the Committee to also take account of the recommendations from that Senate report in order to ensure that local employment opportunities are prioritised and that working holiday makers are not mistreated and exploited in the workplace.