

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

**September 2016**

**From Spring Spur Pty Ltd**

Trading as Bogong Horseback Adventures, Spring Spur Stud and Spring Spur Stay

Small family business involved in

Primary production (horse stud)

and

Tourism (horseriding, agritourism, food and wine, farm accommodation)

In the rural and remote areas of the Victorian High Country

## **Contents**

1. Our interest in the Backpacker Tax and volunteer workers
2. The impact of proposed changes
3. Suggested strategies

## **Our interest in the Backpacker Tax and volunteer workers**

Bogong Horseback Adventures, Spring Spur Stud and Spring Spur Stay have conducted a successful backpacker volunteer program for many years. Generally they live and work with our family for about 3 months at a time on a voluntary basis.

- We accept applications from young travellers with experience in horse management and horsemanship from many of the 417 Visa qualifying countries.
- We offer them an opportunity to learn about the unique aspects and cultural heritage of our horse operations, heritage packhorse expeditions into remote High Country environments, the history and value of the Australian Stock Horse breed, our horse handling and training methods.
- We also offer them the opportunity to live and share an Australian family life and meals, at no cost to their savings. Many of our young volunteers become life long friends and revisit us later in life as tourists.
- In exchange they bring their unique horse training and background to our business, enriching our knowledge and understanding of these noble animals.
- They offer their time and effort to us in a voluntary capacity performing prescribed work on our horse breeding operation, until recently qualifying for a second year 417 visa.

This mutually agreeable arrangement has engendered a strong cultural exchange and a mutually beneficial outcome for both parties.

We also sell high value tour product to young people traveling on 417 Visas. Any reduction in total numbers or their discretionary funds will impact on our sales to this segment.

## The impact of proposed changes

This volunteer program is under threat from two aspects of the proposed changes;

- Volunteer work no longer qualifies for prescribed work under the 417 Visa provisions
- Paid work under the 417 Visa now attracts tax from the first dollar earned.

The impact of these two changes are felt very keenly by our business;

- The level of inquiry from intending 417 Visa travellers making plans to visit Australia has decreased markedly.
- The interest in volunteer work has declined without the benefit of a 417 Visa extension being offered.
- We are no longer enjoying a rich two way cultural exchange with young travellers. These were travellers who shied away from the party scene along the East Coast, in search of more enriching and “Australian” experiences.

In summary, the broader impacts of the proposed changes to the Backpacker Tax will

- End a unique and important international cultural exchange based on Australian horsemanship
- Leave us without a willing and uniquely skilled volunteer workforce
- Impact the level of repeat visitation in later life stages by today’s young travellers
- Reduce visitation by young travellers who spend savings on unique Australian experiences, such as offered by our business.
- As very few backpackers leave Australia with saved funds this proposal will divert funds, otherwise spent in small businesses, to the Australian Tax Office.

### **Suggested strategies**

For the taxation proposals

- That the 30% tax from first dollar earned whilst working on a 417 Visa, is only applied to earnings not spent in Australia, ie at exit.

For the volunteer work proposal

- That volunteer work be recognised as prescribed work for the purposes of a Second Year 417 Visa where that work is performed in a recognised volunteer program

Such as;

- Willing Workers on Organic Farms.
- Accredited primary production businesses that meet pre-determined workplace standards.
- Where volunteer work is offered in exchange for cultural and learning outcomes.

-End-