



Working Holiday Maker Visa Review
Department of Australia and Water Resources
Parliament House
Canberra ACT 2600

TFGA Submission – Working Holiday Maker Visa Review

The Tasmanian Farmers and Graziers Association (TFGA) is the leading representative body for Tasmanian primary producers. TFGA members are responsible for generating approximately 80% of the value created by the Tasmanian agricultural sector.

Agriculture is one of the key pillars of the economy and, with the current level of support from government, are well positioned to further capitalise on the stature of Tasmania agriculture.

The Australian Bureau of Statistics estimates that Tasmania's Gross State Product for 2014-15 was \$25.42 billion. Agriculture, forestry and fishing in 2014-15 was Tasmania's largest industry representing 9.6% (\$2.29B) of Tasmania's total gross value added.¹

The TFGA is grateful for the opportunity to make comment to the Department of Agriculture and Water Resources review into 'Working Holiday Maker Visa' (Backpacker Tax).

The TFGA supports Ausveg's submission and its key recommendations being:

1. That the Australian Government remove the current proposed "backpacker tax" at the rate of 32.5 per cent.
2. That the Australian Government engage proactively with the industry regarding any potential future introduction of a tax rate on backpackers to ensure that a position can be reached where backpackers will be paid an internationally competitive wage.
3. That the Australian Government investigate options for regulating labour hire firms in Australia to protect vulnerable workers, including working holiday makers.

Many Tasmanian farming businesses rely on international workers to fill their short-term labour needs. A tax of this magnitude would ensure that we were not competitive in an international sense and these workers will go elsewhere.

The backpacker tax will slash our member workforce dramatically by reducing the financial incentive for backpackers to come to Tasmania to work.

The TFGA are hearing from our grower members that, unfortunately, they rely on backpackers for essential picking, packing and grading jobs as local workers are unwilling to do this work.

¹ Tasmanian Government, State Accounts (ABS Cat No 5220.0).

By its very nature the Seasonal Worker Program doesn't work for many vegetable/horticulture growers and dairy farmers who are in need of workers all year round, as their operations are not seasonal.

Another issue is that programs like the 457 visa are restricted to highly skilled workers, and Australia's temporary labour migration program is about skill shortages rather than labour shortages. This means if the tax rate for backpackers remains at the high 32.5% Australia's pathway for low-skilled workers will be hampered dramatically.

Compulsory superannuation was introduced in 1992 as an arrangement for people to accumulate funds to provide them with income in retirement.

The TFGA would like the government to consider superannuation be either not paid to working holiday makers or paid up front to them, so they can spend it in regional Australia rather than collecting it on their way out.

Please contact the TFGA if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Skillern', with a long horizontal line extending to the left.

Peter Skillern

Chief Executive Officer

2nd September 2016