

**To: Department of Agriculture and Water Resources**

**Re: Submission : Amendments to working holiday visas**

Wine Grape Growers Australia (WGGA) is the national wine industry body that represents independent grape growers across Australia. Australian wine grape growers occupy a diverse range of regions, from warm inland parts of Australia, through cool temperate production zones, to the cool and cold climate production. This diverse footprint has a common factor in that all are battling with the cost and availability of employing seasonal labour in their vineyards.

It has become increasingly difficult to find local people who are willing to work in an outdoor environment that often requires manual work. Grape growing is a seasonal business, and there is rarely the ability to provide secure work all year round. Typically there is a spike in the need for vineyard workers during the growing season, and again at harvest.

In recent times this labour need has been met by a growing force of tourist workers, better known as backpackers, either directly employed by growers or via a labour hire company. These people are typically young tourists who are working their way around the country, paying their way through money earned working for agricultural businesses. They are generally well received by agricultural business owners and managers, who have come to rely on them as solid, hard workers. Their increasing presence in rural and regional areas has been a boon for regional economies, with accommodation facilities springing up all over the country. These young people typically spend a large proportion of their earnings within the regions where they travel, and as such they are a strong positive influence for struggling vineyard businesses and the communities where these businesses are located.

That is why the proposed change to taxation of workers on 417 visas is causing so much concern. When asked if the change to tax arrangements would cause them to reconsider taking a working holiday in Australia, there has been a uniform response. There is no doubt that imposing such a high tax rate, in particular in comparison with other countries that these working tourists may choose to visit, will lead to a large reduction in the number visiting and working in our regions.

This will have the following negative effects for wine grape growers:

- There will be a loss of the valuable work force. It is a disappointing fact that despite the availability of work, and the concern at youth unemployment levels in regional Australia, that many young local people are less willing to perform this work than the backpacker tourist workers. Experience suggests that there will not be a commensurate increase in availability nor willingness of local people to perform this work.
- Regional businesses will miss the added trade that the tourist workers bring to regional economies;
- Allied businesses related to accommodation will lose clients. It will be of concern to some businesses that have recently built backpacker accommodation in some winegrowing regions. This investment now appears to risk becoming stranded through this policy change.

There are potential regional impacts as well. Recently in some regional areas private businesses have developed backpacker accommodation facilities, some at considerable cost. There is an example in the small town of Paringa, in the South Australian Riverland. These accommodation venues are well patronized, with the working tourists located in the town area contributing to local businesses. A reduction in tourist numbers would not only affect this trade, but also put the owners who have developed these facilities at some risk. There will still be some trade from travellers after value accommodation, such as "grey nomads" but the anticipated reduction in trade that would result from an increased rate of tax would be an impact on such businesses.

As such, WGGA would request that the proposed change to taxation of workers under 417 visa provisions is reconsidered in favour of an alternative that will be less punitive to

winegrowing businesses and regional communities that are currently going through such difficult times.



Faithfully,

A handwritten signature in black ink, which appears to read 'Andrew Weeks', is positioned above a faint, circular watermark or seal. The signature is written in a cursive style.

Andrew Weeks

Executive Director  
Wine Grape Growers Australia