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16C – 029

1 September 2016

The Hon. Luke Hartsuyker, MP
Assistant Minister to the Deputy Prime Minister
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

BY EMAIL: Luke.Hartsuyker.MP@aph.gov.au

Dear Assistant Minister,

RE: Working holiday maker visa review

We, the below signatory organisations, write to urge the Federal Government to abolish the tax rate of 32.5 per cent for 417 and 462 visa holders.

We believe that as a matter of principle there should be equality in the income tax rates of non-resident visa holders with working rights and those of resident workers.

In addition, the “backpacker tax” will pose an unnecessary obstacle to our efforts to ensure legal employment and minimum workplace safety throughout our food supply chain. The “backpacker tax” would act as a structural advantage to labour hire contractors who operate in the black market. It would make it an economic proposition for many 417 and 462 visa holders to accept “cash in hand” work in the order of \$16 to \$18 per hour from such labour hire contractors. We are concerned that the introduction of a “backpacker tax” will see a marked ramping up of illegal and unsafe activities within Australia’s food supply chain.

This unnecessary structural incentive to illegal and unsafe activity in our food supply chain would both undermine the ability of state and federal governments to collect revenue from workplaces in the food supply chain which presently have legal

contracting arrangements, and frustrate the efforts of civil society, some employers and governments to ensure legal behaviours in those workplaces where this remains a challenge. For this reason we remain doubtful of the ability of the “backpacker tax” to contribute towards overall government revenue.

CO-SIGNED BY THE FOLLOWING ORGANISATIONS

TIM KENNEDY
NATIONAL SECRETARY



CATHRINE BURNETT-WAKE
DIRECTOR & PRINCIPAL MIGRATION AGENT



JENNY STANGER
NATIONAL MANAGER

The Freedom Partnership
End Modern Slavery



CATHERINE HEMINGWAY
EMPLOYMENT PROJECT SENIOR SOLICITOR

WEstjustice

MARK ZIRNSAK
DIRECTOR JUSTICE & INTERNATIONAL MISSION



Uniting Church in Australia
SYNOD OF VICTORIA AND TASMANIA