

Our Ref:

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Hon Barnaby Joyce MP
Minister for Agriculture and Water Resources
PO Box 6022
Parliament House
Canberra ACT 2600

Dear Mr Joyce

Re: Submission to the Australian Government Review into the Proposed Changes to the "Back Packer" Tax from the West Tamar Council (Tas)

At the last meeting of the West Tamar Council (16/08/2016) a workshop discussion took place about the "Back Packer" tax review. It was agreed that a brief submission should be made to the review.

The West Tamar is an area that has traditionally been a base for horticulture, especially apples and pears. Our port at Beauty Point is known as Inspection Head, where in the past, vast quantities of apples and pears were inspected for quality prior to shipping to the United Kingdom. Today we are better known for vineyards, cherry orchards and still some apples and pears. We also have a large and growing tourism industry that focuses on food and wine.

West Tamar Councillors are very conscious of the concern in our community about the effects of the proposed "back packer tax". We have significant numbers of visiting working holiday makers who come to our municipality to work, helping in tourism enterprises and in our horticulture industries. These visiting workers are vital to meet the needs of these industries and welcome within our community.

The money paid in wages to our visiting workers is used to sustain themselves within the community and also to pay for further travel in Tasmania. Similarly visiting workers from other parts of Tasmania use their wages to come to visit our West Tamar community.

Councillors are being told that visiting working holiday makers will be much less likely to come to Tasmania, especially the West Tamar, if they have to pay tax from the first dollar they earn. Visiting workers have choices as to where they go and to have a tax of 32 cents in the dollar on every dollar they earn is a very big disincentive to come to Tasmania and the West Tamar. This may mean that our producers will not have the workers who are essential to their production.

We believe that the tax treatment for working holiday makers should be the same as for other Australians. That is a tax free threshold followed by a progressive rate.

Councillors believe the decision to deny working holiday makers access to the tax free threshold has been unfortunate and we ask that the decision be reversed.

We also ask that action taken should be taken urgently so that prospective working holiday makers will still consider Tasmania for this type of work. If the decision is delayed for much longer and the tax proposal is left unchanged, the negative effects on our West Tamar producers, hospitality businesses and our local economy will be substantial and unacceptable.

We expect the Review to fix this problem and quickly.

Yours sincerely



David Gregory
A/General Manager