



WINKIE HEIGHTS PTY LTD

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Deloitte WHM Visa Consultation Team
Grosvenor Place
225 George Street
SYDNEY NSW 2000

Dear Sirs,

My wife and I are the shareholders of Winkie Heights Pty Ltd. We operate approximately 95 acres of citrus and 10 acres of grapes.

We are totally dependent on contracting companies who employ backpackers in order to harvest the approximately 1500 tonnes of citrus that we grow per year.

We spend a lot of money each year complying with Fair Work Australia rules (including audits and inspections) and Safe Work SA inspections and audits and we ensure that the contractors that we use are bona fide and pay superannuation etc. we have from time to time employed backpackers from local backpacker hostels though we prefer to pay a premium to contractors who directly employ the working holiday makers.

We have owned these properties for more than 20 years and one of the problems that we have had using local labourers is that there are limitations on the amount that they can work and earn on a weekly basis because so many of them are in receipt of unemployment benefits and are not keen to have that continuity affected.

There is, particularly with our navel oranges, a limited window during which that particular variety of fruit can be harvested. We know that backpackers who are obliged to pay tax, will

- a) Be less likely to work, and
- b) Only work on the basis that the employer (ultimately ourselves) pay that tax component.

But whether we use an incorporated contractor or we directly employ backpackers, the labour cost is based on a piece work basis (approximately \$33.00 per 20 bushell bin). The impact is going to be such that organising a time restricted harvest is going to be much more difficult and the cost of harvesting much more expensive. The piece work rate will no doubt have to be increased by the amount of the labourer's tax liability in order to continue to attract those labourers.

It is a measure directed at employers and employees who are all involved in actual physical work and is a surprising proposal from a conservative government.

Yours sincerely

Stuart Andrew

STUART ANDREW
Director