



Unit 5, 780 South Road
GLANDORE SA 5037
08 8297 2299 (P)
08 8293 8886 (F)
admin@livestocksa.org.au (E)
www.livestocksa.org.au (W)

Working holiday maker visa review

Livestock SA welcomes the review of the issues affecting the supply and taxation of labour performed by working holiday maker visa holders.

Livestock SA wishes to raise two issues – the backpacker tax and the length of time backpackers can be employed.

Backpacker tax

The 'backpacker tax' means all working holiday makers are taxed as non-residents at a rate of 32.5 per cent on all income from 1 July 2016. This has evoked widespread condemnation from the agriculture, tourism and transport industries as well as rural and regional communities.

Backpackers should pay tax but the rate of 32.5 per cent is too high.

While not a member of NFF, Livestock SA supports their proposal of a rate of 19 per cent, achieved through the deactivation of the tax-free threshold, which would be fairer to backpackers themselves and to the industries which rely upon them for seasonal labour requirements. Common sense needs to prevail so that the interests of those that are largely reliant on backpackers to provide labour are protected.

Length of time backpackers can be employed

Last year the Federal Government made changes to working holiday visas in northern Australia so that backpackers can be employed by a single employer for up to 12 months.

Just like northern Australia the pastoral zone of South Australia suffers from an inability to attract workers to the area. Even when unemployment in the State is at record levels, it appears that many from the urban areas are very reluctant to move to the pastoral region of South Australia for work.

As a consequence many pastoralists are reliant on backpackers to meet their needs. However the current rules that restrict a backpacker to only six months with the one employer make the scheme very inflexible. It takes some time for newcomers to the pastoral areas to acquire basic skills needed on these properties, and then just as they develop these skills, under the current rules, they are required to move on. This leads to frustration not only on the part of the land manager but also the backpacker.

What is required is for the rules that now exist for that part of northern Australia above the Tropic of Capricorn be extended to the pastoral zone of South Australia. Such a move would not only be equitable but also would alleviate a serious problem for land managers in this zone. As currently in South Australia it is only six months, the State's pastoral industry feels discriminated against and at a disadvantage compared to their fellow pastoralists in Northern Territory.