



19<sup>th</sup> October 2016.

Committee Secretary  
Senate Economics Legislation Committee  
PO Box 6100,  
Parliament House  
CANBERRA. ACT. 2600.

Dear Sir/Madam,

RE: Inquiry into Tax Rates Amendment (Working Holiday Maker Reform) Bill 2016 and related bills.

**Summerfruit Australia Limited (SAL) would request the immediate introduction of the Tax Rates Amendment (Working Holiday Maker Reform) Bill 2016 and related bills as they relate to the application of a 19% income tax rate to working holiday maker taxable income.**

The ongoing delay to this matter and the countless industry submissions that have previously been made and will be made to this inquiry is leading to stress within the Summerfruit industry and the general horticultural industry.

The long delays in making a decision has already impacted on the Australian Summerfruit industry and the delaying of the introduction of the tax until the 1<sup>st</sup> January 2017 is creating real issues with harvest.

Growers across the country have already noted a 40 per cent decrease in backpackers applying for seasonal work. This is a disturbing situation.

SAL is the industry voice for the betterment of summerfruit (fresh apricots, nectarines, peaches and plums). It represents the interests of the summerfruit industry on a national and international basis. It is the body recognised by government as the peak industry body for growers of summerfruit and has responsibility for the management of the industry marketing and R&D levy expenditure.

Australian summerfruit is produced in approximately 26 regions in all states across the country. Victoria and New South Wales dominate, however South Australia, Queensland, Western Australia and Tasmania are also important production states.



Production has risen by approximately 25% over the last decade to over 100,000 tonnes per annum produced by about 800 growers. The 250 largest summer summerfruit growers are responsible for around 80% of Australian produce.

**SAL and its members are about to move into one of the most important seasons with the first exports of Australian nectarines to China to commence shortly. One of the important aspects for growers is to be able to harvest fruit at the appropriate time and maintain regular and consistent supply. To be able to achieve that Summerfruit growers require a good source of labour that is willing to work within the harvest requirements. 'Working holiday makers' are one of the most important sources of labour and such workers are required immediately.**

Without the backpacker labour provided via 416 and 462 visa's the vast majority of summerfruit crops will not be able to be harvested.

In relation to the other points raised in your letter we would make the following comments:-

- Help protect working holiday makers from unfair employment arrangements by allowing the Commissioner of Taxation (Commissioner) to disclose information that is relevant to ensuring an entity's compliance with the Fair Work Act 2009 to the Fair Work Ombudsman;

SAL agrees that 'unfair employment arrangements' are unacceptable and will work with authorities to ensure SAL members employ 'working holiday makers' within the Fair Work Act 2009.

- Require employers of working holiday makers to register with the Commissioner, which will allow such employers to withhold tax at income tax rates applying to working holiday makers;

SAL wishes to ensure that any requirements on employers are simple and easily implemented. Harvest is a very busy period with owners and managers working in high pressure situations. During that time they need simple processes and need empathy from the Commissioner of Taxation.

- Require the Commissioner to give the Treasurer, for presentation to the Parliament, a report on working holiday makers, which includes statistics and information derived from the register;

SAL does not object to this provided it again does not require inputs from either the organisation or its members.



Again we would request that the Senate Economics Legislation Committee give their unequivocal support to the immediate implementation of the 19% income tax to working holiday maker taxable income to allow the Australian Summerfruit Industry grow and prosper so allowing Australian horticulture to continue to be the leader in the Australian economy.

Representatives of Summerfruit Australia Limited are willing to supply additional information to the Committee if required.

Thanking you in anticipation

Yours faithfully

Andrew Findlay  
Chair  
Summerfruit Australia Limited