



Speech By  
**Dale Last**


**MEMBER FOR BURDEKIN**

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Record of Proceedings, 25 February 2016

## ADJOURNMENT

### Burdekin Electorate, Overseas Workers

 **Mr LAST** (Burdekin—LNP) (7.00 pm): The Bowen Gumlu fruit and vegetable industry in the Burdekin electorate has produced around \$412 million worth of produce a year for the past five years. Each year growers rely on an influx of backpackers to provide the labour they need to harvest these crops. The federal government's proposed tax changes for working holidaymakers, which was announced as part of its 2015-16 budget, will undoubtedly deter backpackers from working on our region's farms and without sufficient labour to harvest crops our farmers are going to suffer, and if our farmers suffer then so do our rural economies as a whole.

Currently these working holidaymakers are eligible for the same tax-free threshold as Australian workers—that is, they can earn up to \$18,200 without paying tax. But that is set to change on 1 July when they will be taxed from the first dollar they earn at a rate of 32.5 per cent. Local growers, some of whom have been in business for decades, are worried they will lose two-thirds of their workforce because of the impending changes to taxation rates. Whilst they would ideally prefer to employ Australians instead of foreign workers, they have found that backpackers reliably perform these labour-intensive tasks. Finding pickers, planters, packers and farm workers has been an ongoing issue and it is going to get even tougher with the proposed taxation changes.

News of this tax change is spreading fast. Some farmers are even struggling to source backpacker labour for the current preparatory work for the upcoming season. Any increased costs will ultimately be passed on to consumers. Undoubtedly, the cost of fruit and vegetables will rise and this will be another cost to add to the already tight household budgets of Queenslanders. As I have previously informed members in this House, we have a thriving industry in the Burdekin and we have major expansion plans, including the construction of a food-processing facility or cannery which will be a major economic development and job creation project for our struggling region. Our tourism industry, backpacker hostels and local businesses that heavily rely on the backpacker trade during picking seasons will also suffer and this will likely result in job losses and have an overall detrimental effect on local economies. I am referring to my neighbouring electorate of Whitsunday and in areas such as Hinchinbrook with the backpackers at Mission Beach.

Federal member for Dawson, George Christensen, is supporting the Bowen Gumlu growers' calls for a 15 per cent flat rate of tax for their backpacker workers. Another option is to return superannuation contributions to backpackers at the conclusion of their stay in Australia as an incentive for them to continue working in this sector. Peak farming bodies like Growcom and the Australian Farmers' Federation share the Bowen Gumlu growers' concerns and there is no doubt that the 'backpacker tax' as it is known will be a major threat to North Queensland's farming and tourism industries. The farming sector is already suffering financial hardship due to rising on-farm costs and impacts of drought and I implore the federal government to take into account the dramatic impact this tax will have on rural economies like the Burdekin.