

MEDIA RELEASE

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Peak Body for Workforce Services concerned Backpacker Tax will promote Greater Black Market Labour

The peak industry body for recruitment and workforce services is concerned that the Backpacker Tax, scheduled to commence shortly, will promote greater black market labour at a time when the organisation is doing all it can to stamp out dodgy operators.

On the 29th of August, the RCSA (Recruitment & Consulting Services Association) participated in a consultation as part of the Australian Government's review of a broad range of issues affecting the supply and taxation of labour performed by working holiday visa holders.

RCSA Members Pinnacle People, who supply workforces for the hospitality and tourism sectors, and MADEC who supply workers to the horticultural sector, also attended government initiated consultation workshops to voice their concern.

This review was jointly announced on 15th August by the Deputy Prime Minister and Minister for Agriculture and Water Resources, the Hon Barnaby Joyce MP and the Assistant Minister to the Deputy Prime Minister, the Hon Luke Hartsuyker MP.

416 and 462 visa holders make an important contribution to meeting the labour needs of Australia's agriculture and tourism sectors. The tax rate of 32.5 per cent for non-resident 417 and 462 visa holders has been discussed as a disincentive for backpackers to take on roles that are not being met by Australian workers.

RCSA CEO Charles Cameron highlighted during the consultation a need for the market to strike a balance between flexibility and responsibility, including:

- The horticulture and agriculture sectors rely heavily on backpackers and 416 and 462 visa holders to fill the jobs that Australian workers will not do.



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- Flexibility is an important consideration for backpackers, and to not reduce the tax rate will place a further constraint on backpackers and their willingness to pick the fruit and vegetables that feed Australia and our trading partners.
- RCSA is concerned that by not striking the right balance backpackers will look to cash-in-hand jobs through dodgy and illegitimate labour contractors and thereby substantially increase the likelihood of exploitation and dangerous work conditions.
- A certification scheme, being initiated by RCSA, that would provide a clear choice for backpackers and buyers of labour services would substantially increase the likelihood of workers and growers alike enjoying the benefits of flexible and responsible work arrangements for backpackers.

Backpackers and working holiday makers have consistently been the subject of exploitation and poor treatment at the hands of dodgy and illegitimate labour-hire contractors. RCSA members are being encouraged to take an active interest in this review.

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About RCSA

The Recruitment and Consulting Services Association (RCSA) is the leading industry body for the recruitment and professional workforce services industry in Australia and New Zealand. With over 3,000 corporate and individual Members, the Association sets professional standards, conducts research, educates and develops members' skills, monitors industry development and lobbies governments on issues directly affecting members.

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