Gary Higgins
Minister for Primary Industry and Fisheries

Axe the Tax

14 July 2016

The Northern Territory Government has continued its push to urge the Federal Government to axe its backpacker tax after an NT Farm Labour survey has revealed the extent of pain it would inflict on Territory Farmers.

Minister for Primary Industry and Fisheries Gary Higgins today joined NT Farmers Association President Shenal Basnayake at Jabiru Orchards in Berry Springs to outline the findings.

“The results of this survey are clear: the tax needs to go or our farmers will suffer,” Mr Higgins said.

“Sixty-two per cent of respondents believe the backpacker tax will negatively affect the number of backpackers available to them, with nearly 50% expecting the number of working holiday makers employed in their businesses to reduce by 20%-80%.

“Worryingly, 40% of respondents indicated they would not be able to access workers from any other source to overcome the anticipated decrease in backpacker labour.

“The good news is farmers are expecting growth, with most respondents indicating they expect to need a greater number of all types of employees in the coming season: an average of four employees for mango farms and 14 additional workers per melon farms.

“The bad news is these jobs are primarily casual farmhands and fruit and vegetable pickers or packers, normally filled by overseas workers, ie. Backpackers or employer sponsored workers.

“Farmers indicated that these were the positions that were most difficult to fill last year, and there are growing concerns it will be even more difficult this year.

“The survey had a strong 85% response rate, well above average which makes it very reliable data.”

General Manager of Jabiru Orchards Ross Maxwell said without international labour it would not be able to harvest its mangos.

“Without backpackers we cannot harvest, we cannot run our business. Jobs will go and businesses will die,” he said.

The survey was funded and commissioned by the NT Department of Business and implemented in close cooperation with the NT Farmers Association.

It focused on identifying skills/labour shortages in the farming sector, its reliance on Working Holiday Maker visa holders and the employment standards of mango, melon, and vegetable growers in the NT.

NT Farmers Association CEO Shenal Basnayake said the results would provide the Federal Government with the facts and evidence to support a revision to the introduction of the backpacker tax.
“This survey demonstrates that Territory farmers are legitimately concerned with not just the backpacker tax but all the other workforce issues that are creating uncertainty for the future of their livelihoods.

“NT Farmers thanks the NT Government and Migration NT for their support in making this survey happen.

“We look forward to collectively continuing to lobby the Federal Government on behalf of our farmers and other Territory industries which rely on the international workforce.”

Over 2014-15, NT farmers employed an average of 35 persons per farm business the majority of which were casual/temporary international workers.

Backpackers make up 25 per cent of the national farm workforce, according to the National Farmers’ Federation. In the Northern Territory, they represent 85 per cent of agricultural labour.

Other Northern Territory employers, particularly those in industry sectors that have high seasonal labour demands like tourism and hospitality also rely heavily on working holiday makers.

“With tourism in the Territory bouncing back after years of decline and agriculture taking off, we need to ensure we are as competitive as possible in the backpacker market to help support the economic development of Northern Australia,” Mr Higgins said.

Media Contact : Sean Conway 0400 165 743

Related files
Survey results (pdf 3.8 mb)