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## Cameron Thompson MP

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Federal Member for Blair

PARLIAMENT OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

11<sup>th</sup> February 2000

Mr David Hawker  
Member for Wannon  
190 Gray Street  
HAMILTON VIC 3300

Dear Mr Hawker

Please find enclosed a copy of my letter to the Hon Philip Ruddock, Minister for Immigration and Multicultural Affairs, regarding the attached newspaper clipping.

Your comments in due course would be greatly appreciated.

Yours sincerely

Cameron Thompson  
**Federal Member for Blair**  
DH (encl)

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11<sup>th</sup> February 2000

Hon Philip Ruddock  
Minister for Immigration and Multicultural Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Mr Ruddock

Enclosed is a copy of an article from a local newspaper brought to me by Darren Jahnke, an onion grower from the Lockyer Valley.

Mr Jahnke is seriously concerned by the threats of heavy fines and jail terms for growers caught with illegal immigrants on their properties.

As a member of the Government's Harvest Trail Working Group, I can vouch for the fact that it is physically impossible for growers to fully ascertain the citizenship of prospective employees.

Our committee has been told that employers cannot demand to know the tax file Number of prospective employees. Even if they are supplied with one, or with other forms of identification, they cannot be sure of its authenticity.

During hearings conducted by our committee, representatives of your department have heard rooms full of growers outline their concerns with the current system.

Current laws, such as the disparity between tax rates for working holiday makers and ordinary Australian citizens, simply reward those prepared to lie about their identity and to go to lengths to do so.

We encourage these backpackers to scam their way around Australia and this attitude of false pretences has completely permeated the industry.

It is hollow rhetoric and needlessly punitive of the Government to threaten growers because of misbehaviour that we, as a Government, reward.

When his crop is ready, Mr Jahnke employs up to 80 onion cutters a day, with participants often changing on a daily basis. This is hot, grinding work and new workers are constantly required to get the job done.

Given the active intention of some workers to falsify their identity, Mr Jahnke would need to work full time all week checking everyone's paperwork to keep a small number of charlatans from taking advantage of his urgent need for labour.

Last year, your department raided the farm next to Mr Jahnke's and interrogated all on the property. They arrived with helicopters and searched the farmer's home and bedroom.

These growers do not deserve to be treated as criminals in front of their families.

An option to resolve one of the root causes of this problem has arisen in discussions conducted by the committee and I want to take the opportunity to discuss it with you.

Differential rates of tax between working holiday makers (29%) and Australians (15%) serve simply as an incentive to work under a false identity.

I understand the Parliamentary Economics Committee is investigating why Australia has 19 million people and twice that number of tax file numbers. Is there any wonder when people in itinerant jobs can increase their wage by 10% or more just by making a painless false declaration?

At the same time, growers are required to pay 7% (soon to be 9%) in superannuation to accounts attached to false names. No working holiday maker who has falsely declared Australian citizenship will ever collect that super which serves as a punitive tax on growers that will sit mouldering in a superannuation trust account before being tipped into consolidated revenue in a state far from where the money was paid in the first place.

No doubt, the Economics Committee (and our own Harvest Trail Group) will give consideration to these various points.

However, I can outline an option that would be revenue neutral which would remove the incentive to lawlessness apparent in the current system. I have forwarded a copy of this letter to the Chair of the Economics Committee, David Hawker, the Treasurer, Mr Costello, and the Chair of the Harvest Trail Committee, Chris Gallus NIP.

If tax rates for working holiday makers (WHMS) were reduced to equal that of Australian itinerant workers (15%), there would be no incentive for the visitors to lie.

There is no need for the WHMS to gather superannuation as, in their home countries, they are not subject to the Australian Superannuation Guarantee. Instead the (7% rising to 9%) super equivalent could be paid as tax to the Commonwealth.

As a result, Australians and WHMS would receive the same pay in the hand when undertaking itinerant work. There would be no reward for false declarations.

The Government would accept a total of about 24% (firm) in tax on WHMS, instead of the 29% (questionable) rate that currently applies.

The additional money in the pockets of the WHMS would be spent in the regional economy instead of just rotting away in a super trust account.

In addition, if the Commonwealth Treasury was still concerned about being out of pocket, an up front charge could be applied to foreigners when applying for a working holiday visa. On the current rate of 78,000 WHMS a year, this fee would earn \$7.8 million. However, it could be justified because the WHMS would be guaranteed higher rates of pay while in our country.

Apart from the regional economic benefits and the benefit of reducing false declarations by would-be fruit pickers, these changes would improve Australia's image overseas.

Instead of encouraging overseas visitors to see Australia by fraudulent means, we would legitimise the working backpacker industry and make their time in Australia more enjoyable.

As Australia contemplates the possibility that the unemployment outlook may continue to improve, ways of facilitating an increasing itinerant workforce in the fruit and vegetable industries will need to be found.

Could the Government please give consideration to the issues and options raised in my letter? I certainly look forward to debating these ideas in the forum of the Harvest Trail Committee.

Mr Jahnke is just one of hundreds of thousands of growers Australia wide who need greater support, not scrutiny in their efforts to maintain an important industry, earn a living and provide jobs.

Yours sincerely

Cameron Thompson  
**Federal Member for Blair**  
DH (encl)

# Tough laws target growers

FRUIT and vegetable growers could be jailed for hiring illegal workers under tough new rules.

The producers said a Department of Immigration crackdown on illegal fruitpickers was heavy-handed and ruining business.

Under new federal laws to be implemented in November employers could face fines of up to \$66,000 and two years in jail.

But Queensland growers, who rely heavily on itinerant labour, said recent raids had left them feeling like drug dealers.

Queensland Fruit and Vegetable Growers chairman Paul Ziebarth said properties

**By RENEE MICKELBURGH**

Had been raided in the Burdekin, Bowen and Stanthorpe.

“We had an incident in the Lockyer Valley a couple of weeks ago where they even used helicopters to circle a property,” Mr Ziebarth said.

“First thing the farmer heard was the helicopters, and then the cars came in through the various entries to the property.

“There were state police, federal police, immigration people, social security people and taxation people.

“All the casual pickers they had there, the permanent staff and the farmers family

were lined up and basically interrogated.”

Mr Ziebarth said that while no illegal workers were found, the property’s operation was set back by several hours.

“Farmers who are raided in such a fashion generally find it difficult to get employees for several weeks because that farm is tarnished,” he said.

“Even the neighbours of farms that are raided, I’ve had reports, find it difficult to get casual workers.

“They don’t want to go near somewhere you get buzzed by helicopters and interrogated by the federal police when all you’re trying to do is just earn a day’s wage.”

A spokesman for Immi-

gration Minister Philip Ruddock said the old laws had made it difficult to launch prosecutions.

A departmental review last June found 53,000 people had overstayed their visas and were unlawfully in Australia.

About half were believed to be working illegally and 27% of those had been in the country for nine years or longer.

The Australian Government spent about \$50 million a year – between 1997 and 1999 – finding, detaining and re-moving people who had either overstayed their visas or worked illegally