

# MEDIA RELEASE

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## **BACKPACKER TAX REVIEW A FIRST STEP TOWARDS SCRAPPING BAD POLICY**

The Federal Government's announcement that there will be a long overdue review of the proposed backpacker tax is a victory for common sense and will hopefully signal the end to this foolhardy tax grab, said the Tourism & Transport Forum Australia (TTF).

The Federal Tourism Minister Richard Colbeck made the announcement in a speech to the Destination Australia Conference in Sydney.

"It appears that the Federal Government has heard the concerns of industry that the backpacker tax will dramatically reduce the number of international visitors coming to Australia for working holidays, and is moving to act in some form," said Margy Osmond, TTF CEO.

"Today's announcement follows an industry roundtable with Minister Colbeck held last week that raised our concerns about the impact of the tax and the Minister should be applauded for raising this issue with his Cabinet colleagues and achieving a commitment to look into the implications of this tax on industry.

"TTF sounded the alarm on the negative impact of the backpacker tax on [Federal Budget night](#) nearly a year ago and we've continued to be a vocal advocate on the need to rethink the backpacker tax.

"Our best advice to the Federal Government is still that it should just scrap the backpacker tax – it makes no sense to slap a 32 per cent tax on backpackers when they have an entire world of destinations, from which to choose.

"The backpacker tax is poised to smash the workforce for tourist operators who rely on working holiday makers in seasonally-sensitive and remote regions, where a local workforce simply isn't available.

"The Federal Government has been at cross purposes with their policies on working holiday makers. On the one hand, through the Northern Australia White Paper, they are making it easier for working holiday makers to stay with the same employer for longer, up to 12 months from six, but on the other hand a 32 per cent tax on every dollar they earn is not an incentive to work in Australia.

"Nearly 30,000 people have signed the National Farmers' Federation petition calling for the backpacker tax to be scrapped. That sends the loudest and strongest message to the Federal Government that the backpacker tax is just bad policy and has got to go."